

WEDNESDAY, JUNE 2, 2010

The Senate met at 2:00 p.m., and pursuant to Senate Rule of Order 3, was called to order by Madame Speaker Pro Tempore Woodson.

Madame Speaker Pro Tempore Woodson declared that pursuant to Senate Rule 1, Article II, Section 11 of the Constitution of the State of Tennessee, that the Senate stand in recess until 9:00 a.m., Thursday, June 3, 2010, due to lack of a quorum.

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THURSDAY, JUNE 3, 2010 -- 90TH LEGISLATIVE DAY

THURSDAY, JUNE 3, 2010

NINETIETH LEGISLATIVE DAY

CALL TO ORDER

The Senate met at 9:00 a.m., and was called to order by Mr. Speaker Ramsey.

PRAYER

The proceedings were opened with prayer by Senator Finney.

PLEDGE OF ALLEGIANCE

Senator Finney led the Senate in the Pledge of Allegiance to the Flag.

ROLL CALL

The roll call was taken with the following results:

Present 33

Senators present were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--33.

STANDING COMMITTEE REPORT

FINANCE, WAYS AND MEANS

MR. SPEAKER: Your Committee on Finance, Ways and Means begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 401, 673 with amendment, 844 with amendment, 1653 with amendment, 2041 with amendment, 2386, 2407 with amendment, 2483, 2503, 2516, 2658, 2684 with amendment, 2723, 2854, 2855, 2856, 3010, 3092, 3125, 3218, 3268 with amendment, 3354 with amendment, 3427 with amendment, 3480, 3502, 3551, 3665, 3667, 3668, 3673 and 3916 with amendment; and House Joint Resolutions Nos. 472 and 917.

MCNALLY, Chairperson
June 1, 2010

The Speaker announced that he had referred Senate Bills Nos. 401, 673 with amendment, 844 with amendment, 1653 with amendment, 2041 with amendment, 2386, 2407 with amendment, 2483, 2503, 2516, 2658, 2684 with amendment, 2723, 2854, 2855, 2856, 3010, 3092, 3125, 3218, 3268 with amendment, 3354 with amendment, 3427 with amendment, 3480, 3502, 3551, 3665, 3667, 3668, 3673 and 3916 with amendment; and House Joint Resolutions Nos. 472 and 917 to the Committee on Calendar.

PRESENTATION

Senator Harper presented **Senate Joint Resolution No. 1194** to Ms. Cora Thompson Patton.

RECALL OF BILL

On motion of Senator McNally, **Senate Bill No. 981** was recalled from the Committee on Finance, Ways and Means.

REFERRAL OF BILL

Senator McNally moved that Senate Bill No. 981 be referred to the Committee on Calendar, which motion prevailed.

MOTION

Senator McNally moved that Rule 83(8) be suspended for the purpose of placing **Senate Bill No. 3350**; and **House Joint Resolution No. 992** on the calendar for the Committee on Finance, Ways and Means for Thursday, June 3, 2010, which motion prevailed.

MOTION

Senator Norris moved that Rule 37 be suspended for the purpose of allowing any bills recommended for passage by the Committee on Finance, Ways and Means to be placed on the calendar for Thursday, June 3, 2010, which motion prevailed.

MOTION

Senator Norris moved, pursuant to Rule 32 and Article II, Section 18 of the Constitution of the State of Tennessee, **House Bills Nos. 2644, 2645, 2693, 3176 and 3499** be passed on first consideration, which motion prevailed.

HOUSE BILLS ON FIRST CONSIDERATION

The Speaker announced that the following House Bills were transmitted to the Senate and passed first consideration:

House Bill No. 2644 -- Welfare -- As introduced, requires parents or caretaker relatives who are recipients of Families First to agree to either a parent education class or volunteer community service in schools as part of a personal responsibility plan. Amends TCA Section 71-3-154.

House Bill No. 2645 -- Labor and Workforce Development, Dept. of -- As introduced, requires the department, in conjunction with the Department of Education, to develop and implement program for payment of licensing test costs for adult students who received a high school diploma or GED through a career and technical education program. Amends TCA Title 4, Chapter 3, Part 14 and Title 49, Chapter 11.

House Bill No. 2693 -- Capital Punishment -- As introduced, adds murder committed against a pregnant woman as an aggravating factor for purposes of imposing death sentence in first degree murder cases. Amends TCA Title 39 and Title 40.

House Bill No. 3176 -- Naming and Designating -- As introduced, "Larry Lively HoPE Center", Taft Youth Development Center.

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House Bill No. 3499 -- Education, State Board of -- As introduced, requires all staff members at the Tennessee School for the Blind, the Tennessee School for the Deaf, and the West Tennessee School for the Deaf to become certified in CPR and maintain such certification. Amends TCA Title 49 and Title 68.

MOTION

Senator Norris moved, pursuant to Rule 33 and Article II, Section 18 of the Constitution of the State of Tennessee, that **Senate Bill No. 3957** be passed on second consideration and be referred to the appropriate committee or held on the Clerk's desk, which motion prevailed.

SENATE BILL ON SECOND CONSIDERATION

The Speaker announced that the following bill passed second consideration and was referred to the appropriate committee or held on the Clerk's desk:

Senate Bill No. 3957 Local bill -- held on desk.

MOTION

Senator Norris moved, pursuant to Rule 21, **Senate Joint Resolutions Nos. 1278 through 1300**; and **Senate Resolutions Nos. 230 through 232** be passed on first consideration and lie over, which motion prevailed.

INTRODUCTION OF RESOLUTIONS

The Speaker announced that the following resolutions were filed for introduction. Pursuant to Rule 21, the resolutions lie over.

Senate Joint Resolution No. 1278 by Senator Henry.
Memorials, Sports -- Father Ryan High School, Rugby State Champions.

Senate Joint Resolution No. 1279 by Senator Burks.
Memorials, Personal Occasion -- Elmer "Shorty" Winningham, 103rd birthday.

Senate Joint Resolution No. 1280 by Senator Burks.
Naming and Designating -- "Dairy Month", June 2010.

Senate Joint Resolution No. 1281 by Senator Overbey.
Memorials, Retirement -- Geraldine Anderson.

Senate Joint Resolution No. 1282 by Senator Faulk.
Memorials, Professional Achievement -- William A. Underwood, awarded the Richard C. Crawford Distinguished Service Award by the Tennessee Valley Public Power Association.

Senate Joint Resolution No. 1283 by Senator Faulk.
Memorials, Professional Achievement -- Dale Schneitman, Jefferson County High School, Principal of the Year.

Senate Joint Resolution No. 1284 by Senator Faulk.
Memorials, Recognition -- White Pine School Science and Energy Team.

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Senate Joint Resolution No. 1285 by Senator Ford.

Memorials, Interns -- Phillip Coutant.

Senate Joint Resolution No. 1286 by Senator Finney.

Memorials, Sports -- Huntingdon High School softball team, District 13A Championship.

Senate Joint Resolution No. 1287 by Senator Finney.

Memorials, Death -- Walter S. Hendrix, Jr.

Senate Joint Resolution No. 1288 by Senator Finney.

Memorials, Recognition -- Business and Professional Women of Tennessee, Inc., 2010 State Convention.

Senate Joint Resolution No. 1289 by Senator Finney.

Memorials, Death -- Jack Moore.

Senate Joint Resolution No. 1290 by Senator Henry.

Memorials, Sports -- Father Ryan High School, Rugby State Champions.

Senate Joint Resolution No. 1291 by Senator Haynes.

Memorials, Recognition -- Gaëtan Ruest, Mayor of Amqui, Quebec, Canada.

Senate Joint Resolution No. 1292 by Senator Crowe.

Memorials, Death -- Stuart Wood, Jr.

Senate Joint Resolution No. 1293 by Senator Crowe.

Memorials, Death -- John G. Love, Sr.

Senate Joint Resolution No. 1294 by Senator McNally.

Memorials, Public Service -- Richard V. Norment, David M. Walker Excellence in Government Performance and Accountability Award.

Senate Joint Resolution No. 1295 by Senator McNally.

Memorials, Retirement -- Ed Hennessee.

Senate Joint Resolution No. 1296 by Senator Burchett.

Memorials, Death -- Haywood Harris.

Senate Joint Resolution No. 1297 by Senator Burchett.

Memorials, Death -- Robert J. Rush.

Senate Joint Resolution No. 1298 by Senator Burchett.

Memorials, Retirement -- Patricia Evans.

Senate Joint Resolution No. 1299 by Senator Burks.

Memorials, Government Officials -- Encourages state departments and healthcare service providers to seek out programs and initiatives to ensure availability of cost effective healthcare services for elderly population in rural areas.

Senate Joint Resolution No. 1300 by Senator Stewart.

Memorials, Retirement -- Marilyn McGee.

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Senate Resolution No. 230 by Senator Johnson.

Memorials, Recognition -- Luke Gustafson and Mackenzie Miller, wedding.

Senate Resolution No. 231 by Senator McNally.

General Assembly, Statement of Intent or Position -- Expresses concerns relative to state's new contract to manage pharmacy benefits for state employees and retirees.

Senate Resolution No. 232 by Senator Black.

Memorials, Professional Achievement -- Bath Fitter Tennessee, Inc., Governor's Award of Excellence for Workplace Safety.

MOTION

Senator Norris moved, pursuant to Rule 21, **House Joint Resolutions Nos. 1360 through 1363, 1365 through 1367 and 1369; Senate Joint Resolutions Nos. 1264 through 1267, 1269 through 1274, 1276 and 1277; and Senate Resolution No. 229** lie over and be referred to the appropriate committees or held on the Clerk's desk, which motion prevailed.

RESOLUTIONS LYING OVER

The Speaker announced that the following resolutions passed second consideration and were referred to the appropriate committees or held on the desk, pursuant to Rule 21:

House Joint Resolution No. 1360 -- Memorials, Death -- Thurston Smith.

The Speaker announced that he had referred House Joint Resolution No. 1360 to the Committee on Calendar.

House Joint Resolution No. 1361 -- Memorials, Recognition -- 2010 Shelby County Republican Party award winners.

The Speaker announced that he had referred House Joint Resolution No. 1361 to the Committee on Calendar.

House Joint Resolution No. 1362 -- Memorials, Recognition -- 2009 Shelby County Republican Party award winners.

The Speaker announced that he had referred House Joint Resolution No. 1362 to the Committee on Calendar.

House Joint Resolution No. 1363 -- Memorials, Recognition -- Recognizes the Tennessee Wildlife Resources Agency for its assistance during the May 2010 flood.

The Speaker announced that he had referred House Joint Resolution No. 1363 to the Committee on Calendar.

House Joint Resolution No. 1365 -- Memorials, Recognition -- Commends actions of responders to Millington Flood.

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The Speaker announced that he had referred House Joint Resolution No. 1365 to the Committee on Calendar.

House Joint Resolution No. 1366 -- Memorials, Public Service -- Ernestine Carpenter.

The Speaker announced that he had referred House Joint Resolution No. 1366 to the Committee on Calendar.

House Joint Resolution No. 1367 -- Memorials, Recognition -- Pierce Moore, Legislative Page in 105th and 106th General Assembly.

The Speaker announced that he had referred House Joint Resolution No. 1367 to the Committee on Calendar.

House Joint Resolution No. 1369 -- Memorials, Public Service -- City of Cleveland, Tree City USA; Cleveland Utilities, Tree Line USA; Cleveland State Community College, Tree Campus USA; Cleveland community first in Tennessee to achieve all three designations.

The Speaker announced that he had referred House Joint Resolution No. 1369 to the Committee on Calendar.

Senate Joint Resolution No. 1264 -- Memorials, Recognition -- The late Senator Ernest Crouch, re-dedication of Motlow College's Crouch Library.

The Speaker announced that he had referred Senate Joint Resolution No. 1264 to the Committee on Calendar.

Senate Joint Resolution No. 1265 -- Memorials, Sports -- Ken Sparks, Division II College Football Hall of Fame.

The Speaker announced that he had referred Senate Joint Resolution No. 1265 to the Committee on Calendar.

Senate Joint Resolution No. 1266 -- Memorials, Congratulations -- Lipscomb University, a Princeton Review Green College.

The Speaker announced that he had referred Senate Joint Resolution No. 1266 to the Committee on Calendar.

Senate Joint Resolution No. 1267 -- Memorials, Death -- Ben Scharfstein.

The Speaker announced that he had referred Senate Joint Resolution No. 1267 to the Committee on Calendar.

Senate Joint Resolution No. 1269 -- Memorials, Sports -- Milan Middle School golf teams, winners of non-TMSAA district tournament.

The Speaker announced that he had referred Senate Joint Resolution No. 1269 to the Committee on Calendar.

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Senate Joint Resolution No. 1270 -- Memorials, Recognition -- Cheekwood, Tennessee Botanical Garden and Fine Arts Center, 50th anniversary.

The Speaker announced that he had referred Senate Joint Resolution No. 1270 to the Committee on Calendar.

Senate Joint Resolution No. 1271 -- Memorials, Academic Achievement -- Victoria Jade Murphree, Salutatorian, Riverdside High School.

The Speaker announced that he had referred Senate Joint Resolution No. 1271 to the Committee on Calendar.

Senate Joint Resolution No. 1272 -- Memorials, Academic Achievement -- William B. Crosby, Valedictorian, Riverside High School.

The Speaker announced that he had referred Senate Joint Resolution No. 1272 to the Committee on Calendar.

Senate Joint Resolution No. 1273 -- Memorials, Interns -- Jessica Moe.

The Speaker announced that he had referred Senate Joint Resolution No. 1273 to the Committee on Calendar.

Senate Joint Resolution No. 1274 -- Memorials, Interns -- Laura Cornick.

The Speaker announced that he had referred Senate Joint Resolution No. 1274 to the Committee on Calendar.

Senate Joint Resolution No. 1276 -- Memorials, Academic Achievement -- Maggie Sue Little, Salutatorian, Scotts Hill High School.

The Speaker announced that he had referred Senate Joint Resolution No. 1276 to the Committee on Calendar.

Senate Joint Resolution No. 1277 -- Memorials, Academic Achievement -- Jonathan William Thurston, Valedictorian, Scotts Hill High School.

The Speaker announced that he had referred Senate Joint Resolution No. 1277 to the Committee on Calendar.

Senate Resolution No. 229 -- Memorials, Recognition -- Senate employees of 106th General Assembly.

The Speaker announced that he had referred Senate Resolution No. 229 to the Committee on Calendar.

MOTION

Senator Henry moved that Rule 37 be suspended for the immediate consideration of **Senate Joint Resolution No. 1290**, out of order, which motion prevailed.

RESOLUTION LYING OVER

Senate Joint Resolution No. 1290 -- Memorials, Sports -- Father Ryan High School, Rugby State Champions.

On motion of Senator Henry, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 1290** was adopted.

MOTION

Senator Haynes moved that Rule 37 be suspended for the immediate consideration of **Senate Joint Resolution No. 1291**, out of order, which motion prevailed.

RESOLUTION LYING OVER

Senate Joint Resolution No. 1291 -- Memorials, Recognition -- Gaëtan Ruest, Mayor of Amqui, Quebec, Canada.

On motion of Senator Haynes, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 1291** was adopted.

MOTION

Senator Johnson moved that Rule 37 be suspended for the immediate consideration of **Senate Resolution No. 230**, out of order, which motion prevailed.

RESOLUTION LYING OVER

Senate Resolution No. 230 -- Memorials, Recognition -- Luke Gustafson and Mackenzie Miller, wedding.

On motion of Senator Johnson, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Resolution No. 230** was adopted.

MOTION

Senator Faulk moved that Rule 37 be suspended for the immediate consideration of **Senate Joint Resolution No. 1282**, out of order, which motion prevailed.

RESOLUTION LYING OVER

Senate Joint Resolution No. 1282 -- Memorials, Professional Achievement -- William A. Underwood, awarded the Richard C. Crawford Distinguished Service Award by the Tennessee Valley Public Power Association.

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On motion of Senator Faulk, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 1282** was adopted.

MOTION

Senator Faulk moved that Rule 37 be suspended for the immediate consideration of **Senate Joint Resolution No. 1283**, out of order, which motion prevailed.

RESOLUTION LYING OVER

Senate Joint Resolution No. 1283 -- Memorials, Professional Achievement -- Dale Schneitman, Jefferson County High School, Principal of the Year.

On motion of Senator Faulk, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 1283** was adopted.

MOTION

Senator Faulk moved that Rule 37 be suspended for the immediate consideration of **Senate Joint Resolution No. 1284**, out of order, which motion prevailed.

RESOLUTION LYING OVER

Senate Joint Resolution No. 1284 -- Memorials, Recognition -- White Pine School Science and Energy Team.

On motion of Senator Faulk, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 1284** was adopted.

MOTION

Senator Burks moved that Rule 37 be suspended for the immediate consideration of **Senate Joint Resolution No. 1279**, out of order, which motion prevailed.

RESOLUTION LYING OVER

Senate Joint Resolution No. 1279 -- Memorials, Personal Occasion -- Elmer "Shorty" Winningham, 103rd birthday.

On motion of Senator Burks, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 1279** was adopted.

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MOTION

Senator Burks moved that Rule 37 be suspended for the immediate consideration of **Senate Joint Resolution No. 1280**, out of order, which motion prevailed.

RESOLUTION LYING OVER

Senate Joint Resolution No. 1280 -- Naming and Designating -- "Dairy Month", June 2010.

On motion of Senator Burks, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 1280** was adopted.

NOTICE

**REPORT OF SELECT COMMITTEE
CONFERENCE COMMITTEE REPORT ON
HOUSE BILL NO. 3291/SENATE BILL NO. 3181**

The report was received and filed with the Clerk.

**REPORT OF COMMITTEE ON CALENDAR
CONSENT CALENDAR # 1**

MR. SPEAKER: Your Committee on Calendar begs leave to report that we have met and set the following bills on the calendar for Wednesday, June 2, 2010: Senate Joint Resolutions Nos. 1264, 1265, 1266, 1267, 1269, 1270, 1271, 1272, 1273, 1274, 1276 and 1277; Senate Resolution No. 229; and House Joint Resolutions Nos. 1253, 1356, 1357, 1358, 1360, 1361, 1362, 1363, 1365, 1366, 1367 and 1369.

This the 2nd day of June, 2010.
MIKE FAULK, Chairperson.

MOTION

Senator Faulk moved that Rule 19 and Rule 38 be suspended for the purpose of considering Consent Calendar No. 1 next, which motion prevailed.

CONSENT CALENDAR NO. 1

Objections having been raised, the following resolution was placed at the heel of the calendar for Friday, June 4, 2010, pursuant to Rule 38: **House Joint Resolution No. 1253**.

Senate Joint Resolution No. 1264 -- Memorials, Recognition -- The late Senator Ernest Crouch, re-dedication of Motlow College's Crouch Library.

Senate Joint Resolution No. 1265 -- Memorials, Sports -- Ken Sparks, Division II College Football Hall of Fame.

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Senate Joint Resolution No. 1266 -- Memorials, Congratulations -- Lipscomb University, a Princeton Review Green College.

Senate Joint Resolution No. 1267 -- Memorials, Death -- Ben Scharfstein.

Senate Joint Resolution No. 1269 -- Memorials, Sports -- Milan Middle School golf teams, winners of non-TMSAA district tournament.

Senate Joint Resolution No. 1270 -- Memorials, Recognition -- Cheekwood, Tennessee Botanical Garden and Fine Arts Center, 50th anniversary.

Senate Joint Resolution No. 1271 -- Memorials, Academic Achievement -- Victoria Jade Murphree, Salutatorian, Riverside High School.

Senate Joint Resolution No. 1272 -- Memorials, Academic Achievement -- William B. Crosby, Valedictorian, Riverside High School.

Senate Joint Resolution No. 1273 -- Memorials, Interns -- Jessica Moe.

Senate Joint Resolution No. 1274 -- Memorials, Interns -- Laura Cornick.

Senate Joint Resolution No. 1276 -- Memorials, Academic Achievement -- Maggie Sue Little, Salutatorian, Scotts Hill High School.

Senate Joint Resolution No. 1277 -- Memorials, Academic Achievement -- Jonathan William Thurston, Valedictorian, Scotts Hill High School.

Senate Resolution No. 229 -- Memorials, Recognition -- Senate employees of 106th General Assembly.

House Joint Resolution No. 1356 -- Memorials, Recognition -- Tennessee Valley Credit Union, named one of the Best Employers in Tennessee.

House Joint Resolution No. 1357 -- Memorials, Retirement -- Norma Florence.

House Joint Resolution No. 1358 -- Memorials, Personal Occasion -- Helen Wells, 100th birthday.

House Joint Resolution No. 1360 -- Memorials, Death -- Thurston Smith.

House Joint Resolution No. 1361 -- Memorials, Recognition -- 2010 Shelby County Republican Party award winners.

House Joint Resolution No. 1362 -- Memorials, Recognition -- 2009 Shelby County Republican Party award winners.

House Joint Resolution No. 1363 -- Memorials, Recognition -- Recognizes the Tennessee Wildlife Resources Agency for its assistance during the May 2010 flood.

House Joint Resolution No. 1365 -- Memorials, Recognition -- Commends actions of responders to Millington Flood.

House Joint Resolution No. 1366 -- Memorials, Public Service -- Ernestine Carpenter.

House Joint Resolution No. 1367 -- Memorials, Recognition -- Pierce Moore, Legislative Page in 105th and 106th General Assembly.

House Joint Resolution No. 1369 -- Memorials, Public Service -- City of Cleveland, Tree City USA; Cleveland Utilities, Tree Line USA; Cleveland State Community College, Tree Campus USA; Cleveland community first in Tennessee to achieve all three designations.

Senator Faulk moved that all Senate Joint Resolutions and Senate Resolutions be adopted; and all House Joint Resolutions be concurred in, which motion prevailed by the following vote:

Ayes 33
Noes 0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

**REPORT OF COMMITTEE ON CALENDAR
CONSENT CALENDAR # 2**

MR. SPEAKER: Your Committee on Calendar begs leave to report that we have met and set the following bills on the calendar for Wednesday, June 2, 2010: Senate Bills Nos. 2386, 2483, 2503, 2516, 2723, 2854, 2855, 2856, 3010 and 3218.

This the 2nd day of June, 2010.
MIKE FAULK, Chairperson.

MOTION

Senator Faulk moved that Rule 19 and Rule 38 be suspended for the purpose of considering Consent Calendar No. 2 next, which motion prevailed.

MOTION

Senator Faulk moved that **Senate Bill No. 2483** be rereferred to the Committee on Calendar, which motion prevailed.

CONSENT CALENDAR NO. 2

Senate Bill No. 2386 -- Highways, Roads and Bridges -- As introduced, designates bridge on State Route 6 in Williamson County as the "Judson E. Mount Memorial Bridge".

On motion, Senate Bill No. 2386 was made to conform with **House Bill No. 2435**.

On motion, House Bill No. 2435, on same subject, was substituted for Senate Bill No. 2386.

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Senate Bill No. 2503 -- Highway Signs -- As introduced, "Michael Allen Jones Memorial Bridge", U.S. Highway 31E (Gallatin Road) in Metropolitan Nashville.

On motion, Senate Bill No. 2503 was made to conform with **House Bill No. 2524**.

On motion, House Bill No. 2524, on same subject, was substituted for Senate Bill No. 2503.

Senate Bill No. 2516 -- Highway Signs -- As introduced, "SSG Carey Thomas Moore Memorial Bridge", State Route 397 (Mack Hatcher Bypass) in Williamson County.

On motion, Senate Bill No. 2516 was made to conform with **House Bill No. 2480**.

On motion, House Bill No. 2480, on same subject, was substituted for Senate Bill No. 2516.

Senate Bill No. 2723 -- Highway Signs -- As introduced, "PFC Cleabern W. Hill, Jr., Memorial Highway", segment of State Route 142 in McNairy County.

On motion, Senate Bill No. 2723 was made to conform with **House Bill No. 2696**.

On motion, House Bill No. 2696, on same subject, was substituted for Senate Bill No. 2723.

Senate Bill No. 2854 -- Highway Signs -- As introduced, "Orville Depew 'Dick' Kitzmiller and Riley Lee Milhorn Memorial Bridge", on State Route 75 in Sullivan County.

Senate Bill No. 2855 -- Highways, Roads and Bridges -- As introduced, "PFC Roy W. Neal Memorial Bridge", State Route 75 in Sullivan County.

On motion, Senate Bill No. 2855 was made to conform with **House Bill No. 2548**.

On motion, House Bill No. 2548, on same subject, was substituted for Senate Bill No. 2855.

Senate Bill No. 2856 -- Highway Signs -- As introduced, "SPC Michael E. Harr Memorial Bridge", State Route 126 in Sullivan County.

Senate Bill No. 3010 -- Highway Signs -- As introduced, "PFC John H. McCree Memorial Bridge", State Route 11 in Giles County.

On motion, Senate Bill No. 3010 was made to conform with **House Bill No. 2990**.

On motion, House Bill No. 2990, on same subject, was substituted for Senate Bill No. 3010.

Senate Bill No. 3218 -- Highway Signs -- As introduced, "Specialist Jesse Harold Archer Memorial Bridge", Bridge No. 82-B-383-0.24 in Sullivan County.

Senator Faulk moved that all Senate Bills and House Bills be passed on third and final consideration, which motion prevailed by the following vote:

Ayes	32
Noes	0

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Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--32.

A motion to reconsider was tabled.

LOCAL BILL
CONSENT CALENDAR

Senate Bill No. 3942 -- McEwen -- As introduced, subject to local approval, revises municipal court language to comply with election requirements for municipal court having concurrent jurisdiction with the general sessions court. Amends Chapter 669 of the Private Acts of 1951.

On motion, Senate Bill No. 3942 was made to conform with **House Bill No. 3989**.

On motion, House Bill No. 3989, on same subject, was substituted for Senate Bill No. 3942.

Senate Bill No. 3943 -- Hancock County -- As introduced, subject to local approval, authorizes Hancock County to operate a home health agency in Grainger, Claiborne, and Hawkins counties.

On motion, Senate Bill No. 3943 was made to conform with **House Bill No. 3981**.

On motion, House Bill No. 3981, on same subject, was substituted for Senate Bill No. 3943.

Senator Faulk moved that all House Bills be passed on third and final consideration, which motion prevailed by the following vote:

Ayes	33
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

MOTION

Senator Norris moved that Rule 19 and Rule 44 be suspended for the purpose of considering Message Calendars Nos. 1 and 2 next, out of order, which motion prevailed.

MESSAGE CALENDAR NO. 1

SENATE BILL ON HOUSE AMENDMENT

Senate Bill No. 2943 -- Workers' Compensation -- As introduced, revises determination of meaningful return to work in cases of permanent partial disability by tying it to average weekly wage. Amends TCA Section 50-6-241.

HOUSE AMENDMENT NO. 2

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 50-6-241(d)(1)(B)(i), is amended by adding the following language:

Employees who continue in their employment after a reduction in pay or a reduction in hours due to economic conditions shall not be entitled to reconsideration of their claims under this section if the reduction in pay or reduction in hours affected at least fifty percent (50%) of all hourly employees operating at or out of the same location. This provision does not apply to or include employees involved in layoffs, closures or a termination of business operations.

SECTION 2. Tennessee Code Annotated, Section 50-6-241(d)(1)(B)(ii), is hereby amended by adding the following language:

Employees who continue in their employment after a reduction in pay or a reduction in hours due to economic conditions shall not be entitled to reconsideration of their claims under this section if the reduction in pay or reduction in hours affected at least fifty percent (50%) of all hourly employees operating at or out of the same location. This provision does not apply to or include employees involved in layoffs, closures or a termination of business operations.

SECTION 3. This act shall take effect July 1, 2010, the public welfare requiring it, and shall apply to reconsideration of claims approved or adjudicated on or after July 1, 2010.

Senator Norris moved that the Senate concur in House Amendment No. 2 to **Senate Bill No. 2943**, which motion prevailed by the following vote:

Ayes	31
Noes	1

Senators voting aye were: Barnes, Beavers, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--31.

Senator voting no was: Berke--1.

A motion to reconsider was tabled.

Senator Ketron moved that **Senate Bill No. 3586** be placed on the last Message Calendar, which motion prevailed.

REPORT OF SELECT COMMITTEE
CONFERENCE COMMITTEE REPORT ON
HOUSE BILL NO. 219/SENATE BILL NO. 1788

The House and Senate Conference Committee appointed pursuant to motions to resolve the differences between the two houses on House Bill No. 219 (Senate Bill No. 1788) has met and

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recommends that the following amendments be deleted: Senate Amendment No. 1 and House Amendment No. 1.

The Committee further recommends that the following amendment be adopted:

AMEND by deleting all language after the enacting clause and substituting the following:

SECTION 1. Tennessee Code Annotated, Section 3-15-508, is amended by deleting subsection (d) in its entirety and by substituting instead the following:

(d) Before the Bureau of TennCare may submit a request for an amendment to the waiver or a renewal of the waiver for the TennCare program to the United States Department of Health and Human Services, the bureau shall:

(1) Transmit such proposed amendment to the committee for comment at least thirty (30) days prior to submission of the waiver to the Department of Health and Human Services; and

(2) Notify each member of the general assembly of such proposed amendment or renewal via electronic mail or other type of electronic communication.

SECTION 2. Tennessee Code Annotated, Section 3-15-508, is further amended by adding the following as a new subsection thereto:

(e) No such amendment or renewal request subject to the provisions of subsection (d) may be submitted or take effect unless the committee has been afforded the opportunity to comment. Since such amendment or renewal requests are legally enforceable when they take effect, the committee shall review such amendments or renewal requests in the same manner as proposed legislation, subject to the thirty-day period required by subsection (d).

SECTION 3. Tennessee Code Annotated, Section 71-5-104, is amended by designating the existing language as subsection (a) and by adding the following as new subsections:

(b) The Bureau of TennCare shall notify each member of the general assembly via electronic mail or other type of electronic communication when it:

(1) Proposes a change in services or reimbursement that affects more than two thousand five hundred (2,500) beneficiaries; or

(2) Proposes a change that will affect current or future appropriations made by the general assembly in any amount that is greater than ten million dollars (\$10,000,000.00).

(c) The Bureau of TennCare shall report at least quarterly to members of the Tennessee general assembly via electronic mail or other type of electronic communication on the following:

(1) Status of TennCare reform and improvements;

- (2) Number of recipients on TennCare and costs to the state;
- (3) Viability of MCOs and providers in the TennCare program;
- (4) Success of fraud detection and prevention.

(d) The Bureau of TennCare shall concurrently transmit to members of the Tennessee general assembly via electronic mail or other type of electronic communication TennCare's annual budget proposal when presented in a public forum.

SECTION 4. This act shall take effect upon becoming law, the public welfare requiring it.

Senator Roy Herron
/s/ Senator Doug Overbey
/s/ Senator Bo Watson

/s/ Representative Henry Fincher
/s/ Representative David Shepard
/s/ Representative Bill Dean

Senator Herron moved that the Conference Committee Report on **House Bill No. 219/Senate Bill No. 1788** be adopted and made the action of the Senate, which motion prevailed by the following vote:

Ayes 31
Noes 0

Senators voting aye were: Barnes, Beavers, Berke, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--31.

A motion to reconsider was tabled.

**REPORT OF SELECT COMMITTEE
CONFERENCE COMMITTEE REPORT ON
HOUSE BILL NO. 2685/SENATE BILL NO. 2753**

The House and Senate Conference Committee appointed pursuant to motions to resolve the differences between the two houses on House Bill No. 2685 (Senate Bill No. 2753) has met and recommends that the following amendments be deleted: House Amendment #1 and Senate Amendment #2.

The Committee further recommends that the following amendment be adopted:

AMEND by deleting all language following the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 4-21-401, is amended by adding the following language as new subsections thereto:

(c) It is not a discriminatory practice for an employer to institute a policy in the employer's workplace requiring that all employees speak only in English at certain times when the employer has a legitimate business necessity for such a policy,

including, but not limited to, the safe and efficient operation of the employer's business, and the employer provides notice to employees of the policy and the consequences of violating the policy.

(d)(1) No employer shall terminate an employee who is a volunteer rescue squad worker, as this term is defined in § 7-51-207, because the employee, when acting as a volunteer rescue squad worker, is absent or late to the employee's employment in order to respond to an emergency prior to the time the employee is to report to the employee's place of employment.

(2) An employer may charge against the employee's regular pay any time that an employee who is a volunteer rescue squad worker loses from employment because of the employee's response to an emergency.

(3) An employer has the right to request an employee who loses time from the employee's employment to respond to an emergency to provide the employer with a written statement from the supervisor or acting supervisor of the volunteer rescue squad worker stating that the employee responded to an emergency and list the time and date of the emergency.

(4) Any employee who is absent or late to the employee's employment in order to respond to an emergency shall make a reasonable effort to notify the employee's employer that the employee may be absent or late.

(5) Any employee terminated in violation of this section may bring a civil action against the employee's employer. The employee may seek reinstatement to the employee's former position, payment of back wages, reinstatement of fringe benefits, and where seniority rights are granted, the reinstatement of seniority rights. The employee has one (1) year from the date of a violation of this section to file an action.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

/s/ Senator Jack Johnson
/s/ Senator Bill Ketron
/s/ Senator Reginald Tate

/s/ Representative Matthew Hill
/s/ Representative Judd Matheny
/s/ Representative Charles Curtiss

Senator Johnson moved that the Conference Committee Report on **House Bill No. 2685/Senate Bill No. 2753** be adopted and made the action of the Senate, which motion prevailed by the following vote:

Ayes 32
Noes 0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--32.

A motion to reconsider was tabled.

HOUSE BILL ON SENATE AMENDMENT

House Bill No. 3136 -- Food and Food Products -- As introduced, requires country of origin labeling of catfish and catfish products. Amends TCA Title 53.

Senator Stewart moved that the Senate refuse to recede from its action in adopting Senate Amendment No. 3 to **House Bill No. 3136**, which motion prevailed.

SENATE JOINT RESOLUTION ON HOUSE AMENDMENT

Senate Joint Resolution No. 978 -- Highway Signs -- "William W. Hall Memorial Bridge", State Route 48 in Dickson County.

HOUSE AMENDMENT NO. 1

AMEND by deleting the following language:

BE IT FURTHER RESOLVED, that this resolution shall become operative only if the cost of the manufacture and installation of such signs is paid to the Department of Transportation from non-state funds within one (1) year of the effective date of this resolution. Such payment shall be made prior to any expenditure by the state for the manufacture or installation of such signs. The department shall return any unused portion of the estimated cost to the person or entity paying for such signs within thirty (30) days of the erection of such signs. If the actual cost exceeds the estimated cost, an amount equal to the difference in such costs shall be remitted to the department in non-state funds within thirty (30) days of the sponsoring person or entity receiving an itemized invoice of the actual cost from the department.

and by substituting instead the following language:

BE IT FURTHER RESOLVED, that this resolution shall become operative only if the cost of the manufacture and installation of such signs is paid to the Department of Transportation by Dickson County by June 30, 2011. Such payment shall be made prior to any expenditure by the state for the manufacture or installation of such signs. The department shall return any unused portion of the estimated cost to Dickson County within thirty (30) days of the erection of such signs. If the actual cost exceeds the estimated cost, an amount equal to the difference in such costs shall be remitted to the department by Dickson County within thirty (30) days of the county receiving an itemized invoice of the actual cost from the department.

Senator Jackson moved that the Senate concur in House Amendment No. 1 to **Senate Joint Resolution No. 978**, which motion prevailed by the following vote:

Ayes 32
Noes 0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--32.

A motion to reconsider was tabled.

**REPORT OF COMMITTEE ON CALENDAR
SENATE MESSAGE CALENDAR # 2**

Pursuant to Rule 44, notice has been given on the following bills and they have been set on the Message Calendar for Wednesday, June 2, 2010: Senate Bills Nos. 3034 and 3602.

This the 1st day of June, 2010.
MIKE FAULK, Chairperson.

MESSAGE CALENDAR NO. 2

**REPORT OF SELECT COMMITTEE
CONFERENCE COMMITTEE REPORT ON
HOUSE BILL NO. 3034/SENATE BILL NO. 3034**

The House and Senate Conference Committee appointed pursuant to motions to resolve the differences between the two houses on House Bill No. 3034 (Senate Bill No. 3034) has met and recommends that the following amendment be deleted: House Amendment No. 2.

The Committee further recommends that the following amendment be adopted: House Amendment No. 1 and the following amendment:

AMEND by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION ____ Tennessee Code Annotated, Section 57-4-102(24), is amended by adding the following as a new, appropriately designated subdivision:

(_) A commercially operated facility containing all of the following characteristics:

(i) The facility has a marina with at least one hundred one (101) wet slips;

(ii) The facility has a minimum of sixty (60) paved single car parking spaces;

(iii) The facility has a restaurant with adequate and sanitary kitchen facilities with inside seating for at least forty (40) persons and outside seating for at least one hundred fifty (150) persons and is kept, used and maintained as a place where meals are served and where meals are actually and regularly served when the facility is opened for business; and

(iv) The facility is located within a county having a population of not less than thirty-one thousand one hundred (31,100) nor more than thirty-one thousand two hundred (31,200), according to the 2000 federal census or any subsequent federal census;

/s/ Senator Mike Faulk
Senator Roy Herron
/s/ Senator Jamie Woodson

/s/ Representative Glen Casada
/s/ Representative Willie Borchert
/s/ Representative Ulysses Jones

Senator Herron declared Rule 13 on **Senate Bill No. 3034**.

Senator Faulk moved that the Conference Committee Report on **House Bill No. 3034/Senate Bill No. 3034** be adopted and made the action of the Senate, which motion prevailed by the following vote:

Ayes 17
Noes 14

Senators voting aye were: Black, Crowe, Faulk, Ford, Gresham, Harper, Haynes, Jackson, Johnson, Kelsey, Ketron, Marrero, Norris, Overbey, Woodson, Yager and Mr. Speaker Ramsey--17.

Senators voting no were: Barnes, Beavers, Berke, Bunch, Burchett, Finney, Henry, Herron, Kyle, McNally, Southerland, Stewart, Tracy and Watson--14.

A motion to reconsider was tabled.

**REPORT OF SELECT COMMITTEE
CONFERENCE COMMITTEE REPORT ON
HOUSE BILL NO. 3152/SENATE BILL NO. 3602**

The House and Senate Conference Committee appointed pursuant to motions to resolve the differences between the two houses on House Bill No. 3152 (Senate Bill No. 3602) has met and recommends that the following amendment be deleted: Senate Amendment No. 3.

The Committee further recommends that the following amendments be adopted: House Amendment No. 1 and House Amendment No. 2.

/s/ Senator Bill Ketron
/s/ Senator Lowe Finney
/s/ Senator Mike Faulk

/s/ Representative Harry Tindell
/s/ Representative Mike Turner
/s/ Representative Ryan Haynes

Senator Ketron moved that the Conference Committee Report on **House Bill No. 3152/Senate Bill No. 3602** be adopted and made the action of the Senate, which motion prevailed by the following vote:

Ayes 30
Noes 0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Overbey, Southerland, Stewart, Tracy, Woodson, Yager and Mr. Speaker Ramsey--30.

A motion to reconsider was tabled.

CALENDAR NO. 1

Mr. Speaker Ramsey moved that **Senate Bill No. 2665** be moved five places down on Calendar No. 1 for today, which motion prevailed.

Senator Norris moved that **Senate Bill No. 2810** be moved five places down on Calendar No. 1 for today, which motion prevailed.

Senator Norris moved that **Senate Bill No. 2811** be rereferred to the Committee on Calendar, which motion prevailed.

Senator Faulk moved that **Senate Bill No. 3121** be placed at the heel of Calendar No. 1 for today, which motion prevailed.

Senate Bill No. 3345 -- Highways, Roads and Bridges -- As introduced, "Isaac Hayes Memorial Highway", I-40 in Shelby County.

On motion, Senate Bill No. 3345 was made to conform with **House Bill No. 3471**.

On motion, House Bill No. 3471, on same subject, was substituted for Senate Bill No. 3345.

On motion of Senator McNally, Amendment No. 1 was withdrawn.

Thereupon, **House Bill No. 3471** passed its third and final consideration by the following vote:

Ayes	31
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Kelsey, Ketron, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--31.

A motion to reconsider was tabled.

House Bill No. 2510 -- Register of Deeds -- As introduced, authorizes Hamilton County register's office to collect a \$2.00 electronic filing submission fee for each electronically-filed document recorded over the Internet through such register's county-run electronic filing portal; documents filed by governmental entities are exempt; requires approval of two-thirds of local legislative body. Amends TCA Title 8, Chapter 21, Part 10, as amended.

Mr. Speaker Ramsey moved that Amendment No. 10 be placed at the heel of the Amendments, which motion prevailed.

On motion of Senator Johnson, Amendment No. 11 was withdrawn.

Senator McNally moved to amend as follows:

AMENDMENT NO. 12

AMEND by deleting all language after the enacting clause and by substituting instead the following language:

SECTION 1. Tennessee Code Annotated, Section 8-21-1001, is amended by deleting subsection (j) in its entirety and adding the following as a new, appropriately designated subsection:

(j)(1) In addition to any other fee permitted in this section or by law, the register of any county may demand and receive for such register's services a two dollar (\$2.00) electronic filing (efile) submission fee for each electronically filed document which is recorded over the Internet through such register's county electronic filing portal.

(2) The register shall waive and exempt all electronic filing submission fees authorized pursuant to subdivision (1) for official government documents filed by local, state, or federal government entities of the United States in the course of their official government business.

(3) The provisions of this subsection (j) shall only be effective in any county to which this subsection applies upon the adoption of a resolution by a two-thirds (2/3) vote of the county legislative body of such county.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

On motion, Amendment No. 12 was adopted.

On motion of Senator Gresham, Amendment No. 10 was withdrawn.

Thereupon, **House Bill No. 2510**, as amended, passed its third and final consideration by the following vote:

Ayes	33
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

Senator Burks moved that **Senate Bill No. 2665** be rereferred to the Committee on Calendar, which motion prevailed.

Senator Norris moved that **Senate Bill No. 2810** be placed at the heel of Calendar No. 1 for today, which motion prevailed.

Senator Yager moved that **House Bill No. 3149** be placed on the last Calendar, which motion prevailed.

House Bill No. 3351 -- State Government -- As introduced, requires information be provided on the projected financial impact of rules and regulations promulgated during a fiscal year. Amends TCA Section 3-2-107; Title 4, Chapter 5, Part 2 and Title 9, Chapter 4, Part 51.

Senator Ketron moved to amend as follows:

AMENDMENT NO. 2

AMEND by deleting all language following the enacting clause and substituting instead the following language:

SECTION 1. Tennessee Code Annotated, Section 4-5-220 (a), is amended by deleting the language "and" at the end of subdivision (3), and by adding the following language as a new subdivision (4) and renumbering the remaining subdivision accordingly:

(4) A table of all pending rules and regulations with projected financial impact upon local governments as provided to the secretary of state pursuant to § 4-5-228; and

SECTION 2. Tennessee Code Annotated, Title 4, Chapter 5, Part 2, is amended by adding the following new section:

Section 4-5-228.

(a) On any rule and regulation proposed to be promulgated, the proposing agency shall state in a simple declarative sentence, without additional comments on the merits or the policy of the rule or regulation, whether the rule or regulation may have a projected financial impact on local governments. The statement shall describe the financial impact in terms of increase in expenditures or decrease in revenues. If the statement says that the rule or regulation has a financial impact on local governments, the general assembly may request representatives of any affected local government to testify concerning its impact.

(b) The proposing agency shall submit a copy of the statement provided in subsection (a) to the secretary of state.

SECTION 3. This act shall take effect July 1, 2010, the public welfare requiring it.

On motion, Amendment No. 2 was adopted.

Senator Ketron moved that **House Bill No. 3351**, as amended, be moved five places down on Calendar No. 1 for today, which motion prevailed.

Mr. Speaker Ramsey moved that **Senate Bill No. 131** be placed at the heel of Calendar No. 1 for today, which motion prevailed.

Senator Ketron moved that **Senate Bill No. 273** be placed at the heel of Calendar No. 1 for today, which motion prevailed.

THURSDAY, JUNE 3, 2010 -- 90TH LEGISLATIVE DAY

Senate Bill No. 2472 -- Administrative Procedure (UAPA) -- As introduced, continues certain permanent rules filed with secretary of state after January 1, 2009. Amends TCA Title 4, Chapter 5.

On motion, Senate Bill No. 2472 was made to conform with **House Bill No. 2454**.

On motion, House Bill No. 2454, on same subject, was substituted for Senate Bill No. 2472.

Senator Watson moved to amend as follows:

AMENDMENT NO. 1

AMEND by adding the following language at the beginning of subsection (a) of Section 1:

Except as provided in subsection (c),

AND FURTHER AMEND by adding the following as a new subsection to the amendatory language of Section 1:

(c) Notwithstanding the provisions of subsection (a), or any provision of Title 4, Chapter 5, Part 2, to the contrary, the following rules filed in the office of the secretary of state by the Tennessee board of nursing on November 18, 2009, relative to renewal fees for registered nurses and for licensed practical nurses shall expire on the effective date of this act:

() Tennessee Board of Nursing, Rule 1000-1-.12(e); and

() Tennessee Board of Nursing, Rule 1000-2-.12(e).

On motion, Amendment No. 1 was adopted by the following vote:

Ayes 20

Noes 13

Senators voting aye were: Beavers, Black, Bunch, Burchett, Crowe, Faulk, Gresham, Jackson, Johnson, Kelsey, Ketron, McNally, Norris, Overbey, Southerland, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--20.

Senators voting no were: Barnes, Berke, Burks, Finney, Ford, Harper, Haynes, Henry, Herron, Kyle, Marrero, Stewart and Tate--13.

Senator Bunch moved to amend as follows:

AMENDMENT NO. 2

AMEND by adding the following new subdivision at the end of subsection (c) in Section 1 of the bill as amended:

() Child Support Services Division, Rule 1240-2-5-.13(3)(a)(1).

Senator Watson moved that **House Bill No. 2454**, as amended, be placed at the heel of Calendar No. 1 for today, which motion prevailed.

THURSDAY, JUNE 3, 2010 -- 90TH LEGISLATIVE DAY

House Bill No. 2781 -- Domestic Violence -- As introduced, requires persons convicted of domestic assault to attend counseling for the duration of their sentence for such offense. Amends TCA Title 39, Chapter 13, Part 1.

Senator Bunch moved to amend as follows:

AMENDMENT NO. 2

AMEND by deleting subsection (d) of Section 1 and substituting instead the following:

(d) A person convicted of domestic assault may be directed to complete available counseling programs that address violence and control issues, including, but not limited to, batterer's intervention programs certified by the domestic violence state coordinating council or any court-ordered drug or alcohol treatment program.

On motion, Amendment No. 2 was adopted.

Thereupon, **House Bill No. 2781**, as amended, passed its third and final consideration by the following vote:

Ayes	33
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

MOTION

Senator Crowe moved that Rule 37 be suspended for the immediate consideration of **Senate Joint Resolution No. 1292**, out of order, which motion prevailed.

RESOLUTION LYING OVER

Senate Joint Resolution No. 1292 -- Memorials, Death -- Stuart Wood, Jr.

On motion of Senator Crowe, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 1292** was adopted.

MOTION

Senator Crowe moved that Rule 37 be suspended for the immediate consideration of **Senate Joint Resolution No. 1293**, out of order, which motion prevailed.

RESOLUTION LYING OVER

Senate Joint Resolution No. 1293 -- Memorials, Death -- John G. Love, Sr.

On motion of Senator Crowe, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 1293** was adopted.

CALENDAR NO. 1

Senator Herron moved that **Senate Joint Resolution No. 1182** be placed at the heel of Calendar No. 1 for today, which motion prevailed.

Senator Herron moved that **Senate Joint Resolution No. 1183** be placed at the heel of Calendar No. 1 for today, which motion prevailed.

FURTHER ACTION ON HOUSE BILL NO. 3351, AS AMENDED

Thereupon, **House Bill No. 3351**, as amended, passed its third and final consideration by the following vote:

Ayes	31
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--31.

A motion to reconsider was tabled.

Senate Joint Resolution No. 1197 -- Memorials, Interns -- Jonathan Frank.

Senate Joint Resolution No. 1197 was adopted by the following vote:

Ayes	31
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--31.

A motion to reconsider was tabled.

Senator Finney moved that **Senate Bill No. 3198** be placed at the heel of Calendar No. 1 for today, which motion prevailed.

THURSDAY, JUNE 3, 2010 -- 90TH LEGISLATIVE DAY

Senate Bill No. 3536 -- Real Estate Agents and Brokers -- As introduced, removes various requirements applicable to vacation lodging businesses under the Tennessee Real Estate Broker License Act. Amends TCA Section 62-13-104, as amended.

Thereupon, **Senate Bill No. 3536**, as amended, passed its third and final consideration by the following vote:

Ayes	30
Noes	0
Present, not voting . . .	1

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--30.

Senator present and not voting was: Finney--1.

A motion to reconsider was tabled.

Senate Bill No. 3851 -- Professions and Occupations -- As introduced, prohibits any partnership, association, company, or corporation from engaging in the business of locksmithing in this state without first registering as a locksmith business; and revises various provisions regarding licensure for locksmiths and locksmith apprentices. Amends TCA Section 62-11-104; Section 62-11-106; Section 62-11-111 and Section 62-11-112.

On motion, Senate Bill No. 3851 was made to conform with **House Bill No. 3812**.

On motion, House Bill No. 3812, on same subject, was substituted for Senate Bill No. 3851.

On motion of Senator Watson, Amendment No. 1 was withdrawn.

Thereupon, **House Bill No. 3812** passed its third and final consideration by the following vote:

Ayes	30
Noes	1

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Ketron, Kyle, Marrero, McNally, Overbey, Southerland, Stewart, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--30.

Senator voting no was: Kelsey--1.

A motion to reconsider was tabled.

Senator Finney moved that **House Bill No. 2284** be moved five places down on Calendar No. 1 for today, which motion prevailed.

Senate Bill No. 274 -- Alcoholic Beverages -- As introduced, decreases time person must be resident of Tennessee to obtain retailer license or own stock in corporation who has retailer license from two years or at least 10 consecutive years to one year or at least five consecutive years. Amends TCA Title 57.

Senator Ketron moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 57-4-101(a), is amended by adding the following language as a new, appropriately designated subdivision:

() Limited service restaurant as defined in § 57-4-102, wherein such is authorized under § 57-4-103;

SECTION 2. Tennessee Code Annotated, Section 57-4-102, is amended by adding the following language as a new, appropriately designated subdivision:

() "Limited service restaurant" means a facility possessing each of the following characteristics:

(A) Is a public place which has a seating capacity for at least forty (40) patrons and that is kept, used, maintained, advertised and held out to the public as a place where during regular hours of operation:

(i) Alcoholic beverages, beer or wine are served to patrons;

(ii) A menu of prepared food is made available to patrons;

(iii) The gross revenue from the sale of prepared food is fifty percent (50%) or less. For purposes of determining the gross revenue from the sale of prepared food, chips, popcorn, pretzels, peanuts and similar snack items shall not be included in gross revenue from the sale of prepared food sold;

(iv) The facility affirmatively establishes, to the satisfaction of the commission, that it has complied and will comply with the requirements of § 57-4-204;

(v) The facility provides adequate security during the regular hours of operation; and

(vi) Sleeping accommodations are not provided;

(B) Is located within the jurisdictional boundaries of a political subdivision which has authorized the sale of alcoholic beverages for consumption on the premises as provided in § 57-4-103; and

(C) Is located in an area which is properly zoned for facilities authorized to sell alcoholic beverages for consumption on the premises.

SECTION 3. Tennessee Code Annotated, Section 57-4-102(27)(A), is amended by deleting the language "and if the serving of meals is the principal business conducted each day the restaurant is open;" and by substituting instead the language "and more than fifty percent (50%) of the gross revenue of the restaurant is generated from the serving of meals;".

SECTION 4. Tennessee Code Annotated, Section 57-4-301(b)(1), is amended by adding the following language as a new subdivision (V):

(V) Limited service restaurant, based on the gross sales of prepared food:

(i) at least 30% but not more than 50% of gross sales \$2,000.00

(ii) at least 20% but not more than 30% of gross sales \$3,000.00

(iii) at least 15% but not more than 20% of gross sales \$4,000.00

SECTION 5. Tennessee Code Annotated, Section 57-4-201(b), is amended by adding the following language as a new, appropriately designated subdivision:

() (A) If a license has been issued to an establishment as a restaurant pursuant to § 57-4-102, and such licensee desires to exchange its license as a restaurant for a license as a limited service restaurant, the commission may issue the establishment a license as a limited service restaurant in accordance with the provisions of this act upon filing a complete application, submitting to an inspection by the Alcoholic Beverage Commission that demonstrates that the applicant meets the requirements of a limited service restaurant, paying the application fee required pursuant to § 57-4-301(b)(1) and, if approved, paying the license fee in accordance with § 57-4-301(b)(1)(V). It is the intent that on-premises licenses permitting the sale of alcoholic beverages at restaurants shall not be required to fulfill any other requirements in order to be issued a license to serve alcoholic beverages as a limited service restaurant.

(B) Should the commission find that any restaurant fails to satisfy the requirements of § 57-4-102(27)(A) but would otherwise qualify as a limited service restaurant, such establishment shall be permitted thirty (30) days following such finding to elect to exchange its license for a limited service restaurant license upon paying to the commission a new application fee and the prorated difference between its restaurant license fee and the license fee required pursuant to § 57-4-301(b)(1)(V).

(C) For purposes of exchanging a restaurant license as a limited service restaurant license, if the licensee had been issued a license by the Alcoholic Beverage Commission as a restaurant, the initial license fee shall be

based on the percentage of gross sales the establishment generated from the service of meals during the year previous to the year the license as a limited service restaurant is requested.

(D) If a license is requested by an applicant who does not hold an existing license as a restaurant, it shall be a rebuttable presumption that the amount of gross sales from prepared food will be at least fifteen percent (15%) but not more than twenty percent (20%).

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.

On motion, Amendment No. 1 was adopted.

Senator Ketron moved to amend as follows:

AMENDMENT NO. 2

AMEND by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION ____.

If, a smaller city located in a county having a population in excess of five hundred thousand (500,000), according to the 2000 federal census or any subsequent federal census retained its charter when the metropolitan form of government was adopted in such county; and

If, such city later by action of its governing body abolishes its charter and by such action becomes a part of the general services district of such county having a metropolitan form of government; and

If, while the charter of such smaller city was in existence, licenses were issued for the retail sale of alcoholic beverages for off-the-premises consumption; **Then**:

Notwithstanding any provision of the charter of such metropolitan government to the contrary, licenses may continue to be issued for the retail sale of alcoholic beverages for off-the-premises consumption for those stores which were located within the municipal boundaries of the city while the charter was in force even though, once the charter is abolished, such area will be designated as being included in the general services district of such county.

On motion, Amendment No. 2 was adopted.

On motion of Senator McNally, Amendment No. 3 was withdrawn.

Senator Ketron moved to amend as follows:

AMENDMENT NO. 4

AMEND by deleting in its entirety the first sentence of subdivision (A) of Section 5, as amended, and by substituting instead the following language:

If a license has been issued to an establishment as a restaurant pursuant to § 57-4-102 and such licensee desires to exchange its license as a restaurant for a license as a limited service restaurant, the commission may issue the establishment a license as a limited service restaurant in accordance with the provisions of this act upon the filing of an application by the licensee for the issuance of a license as a limited service restaurant, together with the payment of the application fee required pursuant to § 57-4-301(b)(1) and a sworn statement indicating the gross revenue from the previous year derived from food sales and the gross revenue derived from liquor sales, and, if approved, paying the license fee, or the prorated difference between its restaurant license fee and the license fee, if applicable, required pursuant to § 57-4-301(b)(1)(V). Such statement shall determine the appropriate license fee to be paid.

AND FURTHER AMEND by adding the following language at the end of Section 5, as amended, as a new subdivision (D), designating the present subdivision (D) as subdivision (E):

(D) Any establishment applying for a renewal of its license shall submit a sworn statement indicating the gross revenue from the previous year derived from food sales and the gross revenue derived from liquor sales. Such statement shall determine the license fee to be paid pursuant to § 57-4-301(b)(1)(V).

On motion, Amendment No. 4 was adopted.

Senator Ketron moved that **Senate Bill No. 274**, as amended, be moved five places down on Calendar No. 1 for today, which motion prevailed.

Senate Bill No. 1220 -- Sheriffs -- As introduced, adds to qualifications to be a sheriff that person must have five years of full-time POST-certified law enforcement experience and must have resided in county for one year prior to qualifying date. Amends TCA Title 8, Chapter 8, Part 1.

On motion, Senate Bill No. 1220 was made to conform with **House Bill No. 1196**.

On motion, House Bill No. 1196, on same subject, was substituted for Senate Bill No. 1220.

On motion of Senator Beavers, Amendment No. 1 was withdrawn.

Senator Beavers moved to amend as follows:

AMENDMENT NO. 2

AMEND by deleting all of the language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 8-8-102(a)(8), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(8) Be free from any disorder as described in the current edition of the *Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association* that would, in the professional judgment of the examiner, impair the subject's ability to perform any essential function of the job or would cause the subject to pose a direct threat to public safety. An applicant must be certified as meeting these criteria by a Tennessee licensed healthcare provider qualified in the psychiatric or psychological fields.

SECTION 2. Tennessee Code Annotated, Section 8-8-102(a)(9), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(9)(A)(i) Possess a current and valid Peace Officer Standards and Training Commission certification as issued by the Peace Officer Standards and Training Commission as provided in § 38-8-107, and as defined in Title 38, Chapter 8, within twelve (12) months prior to the close of qualification for the election for the office of sheriff; or

(ii) Have at least three (3) years of full-time experience as a Peace Officer Standards and Training Commission certified law enforcement officer within the last ten (10) years; or

(iii) Have the equivalent state or federal law enforcement experience within the last ten (10) years.

(B) The provisions of this subdivision (a)(9) shall not apply in any county having a metropolitan form of government where the sheriff does not have law enforcement powers.

SECTION 3. Tennessee Code Annotated, Section 8-8-102(d), is amended by deleting the subsection in its entirety and by substituting instead the following:

(d)(1) Any person elected to the office of sheriff who does not possess a current and valid Peace Officer Standards and Training Commission certification issued by the Peace Officer Standards and Training Commission or training that is approved by or meets the standard on minimum hours required to be certified by the Peace Officer Standards and Training Commission shall be required to enroll, within six (6) months after taking office, in a remedial training program offered by the Tennessee Law Enforcement Training Academy. Any such sheriff who does not fulfill the obligations of this training program shall lose the power of arrest. Any cost associated with obtaining such peace officer standards and training certification shall be paid by the county. For such person to qualify for the office of sheriff in any subsequent election, the person must have completed such training program and have obtained peace officer standards and training certification during such person's first term of office as sheriff.

(2) As used in this subsection (d), "certification" or "certified" means a current and valid peace officer certification issued by the Peace Officer Standards and Training Commission or training that is approved by or meets the standard on minimum hours required to be certified by the Peace Officer Standards and Training Commission.

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SECTION 4. This act shall take effect upon becoming law, the public welfare requiring it.

On motion, Amendment No. 2 was adopted.

Thereupon, **House Bill No. 1196**, as amended, passed its third and final consideration by the following vote:

Ayes 19
Noes 12

Senators voting aye were: Black, Bunch, Burchett, Crowe, Faulk, Gresham, Haynes, Henry, Jackson, Johnson, Ketron, McNally, Norris, Overbey, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--19.

Senators voting no were: Barnes, Berke, Burks, Finney, Ford, Harper, Kelsey, Kyle, Marrero, Southerland, Stewart and Tate--12.

A motion to reconsider was tabled.

Senate Bill No. 2523 -- Traffic Safety -- As introduced, creates offense of super speeding when driver speeds at 75 mph or more on any two-lane highway or 85 mph or more on any public highway; violation is a Class B misdemeanor punishable by a \$200 fine only. Amends TCA Title 55, Chapter 10, Part 2 and Title 55, Chapter 8.

Senator Johnson declared Rule 13 on **Senate Bill No. 2523**.

Senator Overbey declared Rule 13 on **Senate Bill No. 2523**.

Senator Tracy moved that Amendment No. 1 be placed at the heel of the Amendments, which motion prevailed.

Senator McNally moved to amend as follows:

AMENDMENT NO. 2

AMEND by deleting all of the language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 55-8-152, is amended by adding a new subsection thereto, as follows:

(i)(1) Any person who operates or drives a motor vehicle upon any highway or public road of this state more than twenty-five miles per hour (25 mph) over the posted speed limit shall commit the offense of super speeding. An officer may elect to issue a citation for super speeding for operating or driving a motor vehicle more than twenty-five miles per hour (25 mph) or, based upon the totality of the conduct, may elect to issue a citation for reckless driving as provided in Section 55-8-152 or 55-10-205, but both offenses shall not be charged for the same conduct.

(2) The offense of super speeding shall be considered separately from any other offense such conduct may constitute. Nothing in this subsection (i) shall be construed as prohibiting the prosecution and conviction of a person for any other offense committed by the person in addition to the offense under this subsection (i). Provided, a person shall not be prosecuted or convicted for the offense of super speeding and for violating Sections 55-8-152(a), (c) or (f)(1), relative to speeding, or for reckless driving, as provided in Section 55-10-205 or 55-8-152(d), based upon the same conduct.

(3) A violation of this subsection (i) is a Class B misdemeanor punishable by a fine only of not less than two hundred dollars (\$200) nor more than five hundred dollars (\$500). All of the proceeds from the fines imposed by this subsection (i) shall be deposited in the general fund. This section shall not be construed to affect any fines imposed pursuant to Title 68, Chapter 55, Part 3, relative to the traumatic brain injury fund, or any other fines, costs or taxes.

SECTION 2. This act shall take effect July 1, 2010, the public welfare requiring it.

On motion, Amendment No. 2 was adopted.

On motion of Senator Tracy, Amendment No. 1 was withdrawn.

Thereupon, **Senate Bill No. 2523**, as amended, passed its third and final consideration by the following vote:

Ayes	19
Noes	6
Present, not voting . . .	4

Senators voting aye were: Barnes, Berke, Black, Burks, Crowe, Faulk, Finney, Ford, Gresham, Henry, Jackson, Johnson, Kelsey, McNally, Norris, Tate, Tracy, Woodson and Mr. Speaker Ramsey--19.

Senators voting no were: Beavers, Burchett, Marrero, Stewart, Watson and Yager--6.

Senators present and not voting were: Bunch, Kyle, Overbey and Southerland--4.

A motion to reconsider was tabled.

Senator Black moved that **Senate Bill No. 2725** be moved two places down on Calendar No. 1 for today, which motion prevailed.

Senate Bill No. 2785 -- Veterans -- As introduced, grants special consideration for veteran owned businesses, similar to the consideration given to women owned businesses, in the awarding and procuring of state contracts. Amends TCA Title 12, Chapter 3, Part 8.

Senator Ketron moved that Amendment No. 1 be placed at the heel of the Amendments, which motion prevailed.

Senator McNally moved that Amendment No. 2 be placed at the heel of the Amendments, which motion prevailed.

Senator Burchett moved to amend as follows:

AMENDMENT NO. 3

AMEND by deleting all language following the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 12-3-802, is amended by adding the following language as new, appropriately designated subdivisions:

() "Tennessee Service-Disabled Veteran" means any person who served honorably on active duty in the Armed Forces of the United States with at least a twenty percent (20%) disability that is service-connected, meaning that such disability was incurred or aggravated in the line of duty in the active military, naval or air service;

() "Tennessee Service-Disabled Veteran owned business" means a service-disabled veteran owned business that is a continuing, independent, for-profit business located in the State of Tennessee that performs a commercially useful function and:

(A) Is at least fifty-one percent (51%) owned and controlled by one (1) or more service-disabled veterans;

(B) In the case of a business solely owned by one (1) service-disabled veteran and such person's spouse, is at least fifty percent (50%) owned and controlled by the service-disabled veteran; or

(C) In the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned and controlled by one (1) or more service-disabled veterans and whose management and daily business operations are under the control of one (1) or more service-disabled veterans;

SECTION 2. Tennessee Code Annotated, Section 12-3-803, is amended by adding the language ", Tennessee service-disabled veteran owned" after the language "woman owned" in subsections (a) and (d).

SECTION 3. Tennessee Code Annotated, Section 12-3-804(a), is amended by adding the language ", Tennessee service-disabled veteran owned" after the language "woman owned" in the first and last sentences, and is further amended by adding the language ", Tennessee service-disabled veteran owned businesses" after the language "woman owned businesses" in the third sentence.

SECTION 4. Tennessee Code Annotated, Section 12-3-804, is amended by adding the language ", Tennessee service-disabled veteran owned" after the language "woman owned" in subsections (b) and (c).

SECTION 5. Tennessee Code Annotated, Section 12-3-805, is amended by adding the language ", Tennessee service-disabled veteran owned" after the language "woman owned".

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SECTION 6. Tennessee Code Annotated, Section 12-3-806(b), is amended by adding the language ", Tennessee service-disabled veteran owned" after the language "woman owned".

SECTION 7. Tennessee Code Annotated, Section 12-3-807, is amended by adding the language ", Tennessee service-disabled veteran owned" after the language "woman owned".

SECTION 8. Tennessee Code Annotated, Section 12-3-808, is amended by adding the language ", Tennessee service-disabled veteran owned" after the language "woman owned".

SECTION 9. This act shall take effect July 1, 2010, the public welfare requiring it.

On motion, Amendment No. 3 was adopted.

On motion of Senator Ketron, Amendment No. 1 was withdrawn.

On motion of Senator McNally, Amendment No. 2 was withdrawn.

Thereupon, **Senate Bill No. 2785**, as amended, passed its third and final consideration by the following vote:

Ayes	32
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--32.

A motion to reconsider was tabled.

House Bill No. 2284 -- Abuse -- As introduced, enacts the "Elderly and Disabled Adults Protection Act of 2009". Amends TCA Title 33; Title 34; Title 63; Title 68 and Title 71.

On motion of Senator Crowe, Amendment No. 1 was withdrawn.

Thereupon, **House Bill No. 2284** passed its third and final consideration by the following vote:

Ayes	28
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Marrero, McNally, Norris, Overbey, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--28.

A motion to reconsider was tabled.

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Senator Black moved that **Senate Bill No. 2725** be the first bill taken up on Calendar No. 1 after the recess, which motion prevailed.

FURTHER ACTION ON SENATE BILL NO. 274, AS AMENDED

Senator Ketron moved to amend as follows:

AMENDMENT NO. 5

AMEND by deleting all language following the enacting clause and substituting instead the following:

SECTION 1.

If, a smaller city located in a county having a population in excess of five hundred thousand (500,000), according to the 2000 federal census or any subsequent federal census retained its charter when the metropolitan form of government was adopted in such county; and

If, such city later by action of its governing body abolishes its charter and by such action becomes a part of the general services district of such county having a metropolitan form of government; and

If, while the charter of such smaller city was in existence, licenses were issued for the retail sale of alcoholic beverages for off-the-premises consumption; **Then**:

Notwithstanding any provision of the charter of such metropolitan government to the contrary, licenses may continue to be issued for the retail sale of alcoholic beverages for off-the-premises consumption for those stores which were located within the municipal boundaries of the city while the charter was in force even though, once the charter is abolished, such area will be designated as being included in the general services district of such county.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

Senator Ketron moved that **Senate Bill No. 274**, as amended, be the second bill taken up on Calendar No. 1 after the recess, which motion prevailed.

MOTION

Senator McNally moved that Rule 83(8) be suspended for the purpose of placing **Senate Bills Nos. 2392 and 2616** on the calendar for the Committee on Finance, Ways and Means for Thursday, June 3, 2010, which motion prevailed.

RECESS

Senator Norris moved the Senate stand in recess until 4:00 p.m., which motion prevailed.

CALL TO ORDER

The Senate was called to order by Mr. Speaker Ramsey.

ROLL CALL

The Speaker declared that a quorum was present.

On motion, the roll call was dispensed with.

STANDING COMMITTEE REPORT

FINANCE, WAYS AND MEANS

MR. SPEAKER: Your Committee on Finance, Ways and Means begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 231 with amendment, 942, 2392, 2498 with amendment, 2616 with amendment, 2650 with amendment, 2724, 2768, 2775, 2789, 2882, 2899 with amendment, 3097, 3101, 3194 with amendment, 3350 with amendment, 3495 and 3917 with amendment; and House Joint Resolution No. 992.

MCNALLY, Chairperson
June 3, 2010

The Speaker announced that he had referred Senate Bills Nos. 231 with amendment, 942, 2392, 2498 with amendment, 2616 with amendment, 2650 with amendment, 2724, 2768, 2775, 2789, 2882, 2899 with amendment, 3097, 3101, 3194 with amendment, 3350 with amendment, 3495 and 3917 with amendment; and House Joint Resolution No. 992 to the Committee on Calendar.

CALENDAR NO. 1

Senator Black moved that **Senate Bill No. 2725** be placed at the heel of Calendar No. 1 for today, which motion prevailed.

FURTHER ACTION ON SENATE BILL NO. 274, AS AMENDED

Senator Kelsey moved to amend as follows:

AMENDMENT NO. 1 TO AMENDMENT NO. 5

AMEND by replacing "continued" with "continue".

Pursuant to Rule 39(3), Amendment No. 1 to Amendment No. 5 was adopted by the following vote:

Ayes	24
Noes	0
Present, not voting . . .	3

Senators voting aye were: Barnes, Berke, Burchett, Burks, Crowe, Faulk, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Watson, Yager and Mr. Speaker Ramsey--24.

Senators present and not voting were: Beavers, Bunch and Tracy--3.

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Pursuant to Rule 39(3), Amendment No. 5, as amended, was adopted by the following vote:

Ayes 23
Noes 5

Senators voting aye were: Barnes, Berke, Burchett, Crowe, Faulk, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Tate, Yager and Mr. Speaker Ramsey--23.

Senators voting no were: Beavers, Bunch, Burks, Southerland and Tracy--5.

Thereupon, **Senate Bill No. 274**, as amended, passed its third and final consideration by the following vote:

Ayes 22
Noes 8

Senators voting aye were: Barnes, Berke, Burchett, Crowe, Faulk, Ford, Gresham, Harper, Haynes, Henry, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Tate, Yager and Mr. Speaker Ramsey--22.

Senators voting no were: Beavers, Bunch, Burks, Finney, Herron, Southerland, Tracy and Watson--8.

A motion to reconsider was tabled.

Senator Marrero moved that **Senate Bill No. 3100** be placed at the heel of Calendar No. 1 for today, which motion prevailed.

Senator Burchett moved that **Senate Bill No. 3290** be moved two places down on Calendar No. 1 for today, which motion prevailed.

Senator McNally moved that **Senate Bill No. 3341** be moved ten places down on Calendar No. 1 for today, which motion prevailed.

Senate Bill No. 3591 -- Workers' Compensation -- As introduced, creates a procedure for sole proprietors, partners, officers of corporations, and members of limited liability companies engaged in the construction industry to file for an exemption from obtaining workers' compensation insurance to cover themselves. Amends TCA Title 1, Chapter 3; Title 29; Title 39, Chapter 11; Title 50; Title 56, Title 68 and Chapter ____ of the Public Acts of 2010 (Ex. Sess.) (Senate Bill 1/House Bill 7 of the First Extraordinary Session).

Senator Ketron declared Rule 13 on **Senate Bill No. 3591**.

Senator Tracy declared Rule 13 on **Senate Bill No. 3591**.

Senator Stewart declared Rule 13 on **Senate Bill No. 3591**.

On motion of Senator Ketron, Amendment No. 1 was withdrawn.

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Senator Johnson moved that Amendment No. 2 be placed at the heel of the Amendments, which motion prevailed.

Senator Johnson moved that Amendment No. 3 be placed at the heel of the Amendments, which motion prevailed.

Senator Johnson moved that Amendment No. 4 be placed at the heel of the Amendments, which motion prevailed.

Senator Johnson moved that Amendment No. 5 be placed at the heel of the Amendments, which motion prevailed.

Senator McNally moved to amend as follows:

AMENDMENT NO. 6

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Chapter 1 of the Public Acts of 2010 (Ex. Sess.) (Senate Bill 1/House Bill 7 of the First Extraordinary Session) is amended by deleting Section 2 of the chapter in its entirety and substituting instead the following:

SECTION 2. Tennessee Code Annotated, Section 50-6-113, is amended by deleting subsections (f) and (g) in their entireties.

SECTION 2. Chapter 1 of the Public Acts of 2010 (Ex. Sess.) (Senate Bill 1/House Bill 7 of the First Extraordinary Session) is amended by deleting the language "March 28, 2011" wherever it occurs in Section 3 of the chapter and substituting instead the language "March 1, 2011".

SECTION 3. Tennessee Code Annotated, Section 50-6-102(10), is amended by adding a new, appropriately designated subdivision:

() "Employee" does not include a construction services provider, as defined in § 50-6-901, who is listed on the construction services provider workers' compensation exemption registry established pursuant to Part 9 of this chapter if the construction services provider is not covered under a policy of workers' compensation insurance maintained by the person or entity for whom the provider is providing services and the construction services provider is rendering services on a:

(i) Construction project that is not a commercial construction project, as defined in § 50-6-901; or

(ii) Construction project that is a commercial construction project, as defined in § 50-6-901, and the general contractor for whom the construction services provider renders construction services complies with § 50-6-914(b)(2);

SECTION 4. Tennessee Code Annotated, Section 50-6-104, is amended by adding the following new subsection:

(d) This section shall not apply to any officer of a corporation, member of a limited liability company, partner, or sole proprietor who is engaged in the construction industry, as defined by § 50-6-901; instead, Part 9 of this chapter shall apply to such officer, member, partner or sole proprietor.

SECTION 5. Tennessee Code Annotated, Section 50-6-113, is amended by adding a new, appropriately designated subsection thereto:

() This section shall not apply to a construction services provider, as defined by § 50-6-901.

SECTION 6. Tennessee Code Annotated, Section 50-6-117, is amended by adding the following language to the end of the section:

This section shall not apply to any officer of a corporation, member of a limited liability company, partner, or sole proprietor who is engaged in the construction industry, as defined by § 50-6-901; instead, Part 9 of this chapter shall apply to such officer, member, partner or sole proprietor.

SECTION 7. Tennessee Code Annotated, Section 50-6-405(d), is amended by deleting the subsection in its entirety and substituting instead the following:

(d)(1) It is an offense for any employer whose employee is entitled to the benefits of this chapter:

(A) To require such employee to pay any portion of the insurance premium paid by the employer; or

(B) To deduct any portion of such premium from the wages or salary of such employee.

(2) A violation of subdivision (d)(1) is a Class C misdemeanor.

(3)(A) In addition to any criminal penalty assessed for a violation of (d)(1), the commissioner is authorized to impose a civil penalty of up to an amount equal to the amount of premiums deducted from such employee's wages or salary.

(B) If a civil penalty is assessed pursuant to subdivision (d)(3)(A), the commissioner shall assess the penalty in a specific dollar amount to be paid directly to the employee.

SECTION 8. Tennessee Code Annotated, Section 50-6-412(d)(2), is amended by deleting the language "one and one half (1 1/2) times the average yearly workers' compensation premium" wherever it appears and substituting instead the language "one and one half (1 1/2) times the average yearly workers' compensation premium, or if the employer is engaged in the construction industry, as defined in § 50-6-901, the greater of one thousand dollars (\$1,000) or one and one half (1 1/2) times the average yearly workers' compensation premium".

SECTION 9. Tennessee Code Annotated, Section 50-6-412(e)(1), is amended by deleting the language "one and one half (1 1/2) times the average yearly workers' compensation premium" wherever it appears and substituting instead the language "one and one half (1 1/2) times the average yearly workers' compensation premium, or if the employer is engaged in the construction industry, as defined in § 50-6-901, the greater of one thousand dollars (\$1,000) or one and one half (1 1/2) times the average yearly workers' compensation premium".

SECTION 10. Tennessee Code Annotated, Section 50-6-412(f), is amended by deleting the language "one and one half (1 1/2) times the average yearly workers' compensation premium" wherever it appears and substituting instead the language "one and one half (1 1/2) times the average yearly workers' compensation premium, or if the employer is engaged in the construction industry, as defined in § 50-6-901, the greater of one thousand dollars (\$1,000) or one and one half (1 1/2) times the average yearly workers' compensation premium".

SECTION 11. Tennessee Code Annotated, Section 50-6-412(f)(4), is amended by deleting the language "two and one half (2 1/2) times the average yearly workers' compensation premium" wherever it appears and substituting instead the language "two and one half (2 1/2) times the average yearly workers' compensation premium, or if the employer is engaged in the construction industry, as defined in § 50-6-901, the greater of two thousand dollars (\$2,000) or two and one half (2 1/2) times the average yearly workers' compensation premium".

SECTION 12. Tennessee Code Annotated, Section 50-6-412, is amended by adding the following new subsections (g) and (h) and redesignating existing subsections accordingly:

(g) The commissioner shall notify the secretary of state when any employer engaged in the construction industry:

(1) Fails to secure payment of compensation, as required by this chapter; and

(2) When any employer who has failed to secure payment of compensation, as required by this chapter, has secured payment of such compensation.

(h)(1) In the event an employer engaged in the construction industry, as defined in § 50-6-901, fails to comply with the requirements of this chapter, by failing to secure payment two (2) or more times within a five (5) year period, then the commissioner shall issue a monetary penalty against the employer that is the greater of three thousand dollars (\$3,000) or three (3) times the average yearly workers' compensation premium for each second or subsequent violation.

(2)(A) In the event an employer engaged in the construction industry, as defined in § 50-6-901, fails to comply with the requirements of this chapter, by failing to secure payment two (2) or more times within a five (5) year period, such employer shall be permanently prohibited

from obtaining an exemption pursuant to Part 9 of this chapter and the commissioner shall notify the secretary of state of such prohibition.

(B) For purposes of subdivision (h)(2)(A), "such employer" includes any construction services provider, as defined by § 50-6-901, who applies for or has ever received a workers' compensation exemption pursuant to Part 9 of this chapter using the same federal employer identification number as the employer who fails to comply with the requirements of this chapter.

SECTION 13. Tennessee Code Annotated, Title 50, Chapter 6, is amended by adding a new part thereto:

§ 50-6-901.

For purposes of this part, unless the context otherwise requires:

(1) "Active and in good standing as reflected in the records of the secretary of state" means a corporation, limited liability company, or partnership that is in existence, registered or authorized to transact business in this state as reflected in the records of the secretary of state; and in the case of a corporation, limited liability company, limited liability partnership, or limited partnership, such entity is in good standing with the Tennessee Department of Revenue;

(2) "Board" means the state board for licensing contractors;

(3) "Commercial construction project" means any construction project that is not:

(A) The construction, erection, remodeling, repair, improvement, alteration or demolition of one (1), two (2), three (3) or four (4) family unit residences not exceeding three (3) stories in height or accessory use structures in connection with the residences;

(B) The construction, erection, remodeling, repair, improvement, alteration or demolition of any building or structure for use and occupancy by the general public which, pursuant to § 62-6-112(f)(2), a small commercial building contractor is authorized to bid on and contract for; or

(C) Performed by any person, municipality, county, metropolitan government, cooperative, board, commission, district, or any entity created or authorized by public act, private act or general law to provide electricity, natural gas, water, waste water services, telephone service, telecommunications service, cable service, or Internet service or any combination thereof, for sale to consumers in any particular service area;

(4) "Construction project" means the construction, erection, remodeling, repair, improvement, alteration or demolition of a building, structure or other undertaking; provided, that if a general contractor contracts

to erect, remodel, repair, improve, alter or demolish multiple buildings, structures or undertakings in one (1) contract, all such buildings, structures or undertakings described in such contract shall constitute one (1) construction project;

(5) "Construction services provider" or "provider" means any person or entity engaged in the construction industry;

(6) "Corporate officer" or "officer of a corporation" means any person who fills an office provided for in the corporate charter or articles of incorporation of a corporation that in the case of a domestic corporation is formed under the laws of this state pursuant to Title 48, Chapters 11–68 or in the case of a foreign corporation is authorized to transact business in this state pursuant to Title 48, Chapters 11–68; provided, that a domestic or foreign corporation is active and in good standing as reflected in the records of the secretary of state;

(7) "Direct labor" means the performance of any activity that would be assigned to the contracting group as those classifications are designated by the rate service organization designated by the Commissioner of Commerce and Insurance as provided in § 56-5-320, but does not include:

(A) Classification code 5604, or any subsequent classification code, for construction executives, supervisors, or foremen that are responsible only for the oversight of laborers; or

(B) Classification code 5606, or any subsequent classification code, for project managers, construction executives, construction managers and construction superintendents having only administrative or managerial responsibilities for construction projects by exercising operational control indirectly through job supervisors or foremen;

(8) "Engaged in the construction industry" means any person or entity assigned to the contracting group as those classifications are designated by the rate service organization designated by the Commissioner of Commerce and Insurance as provided in § 56-5-320;

(9) "Family owned business" means a business entity in which members of the same family of the applicant have an aggregate of at least ninety-five percent (95%) ownership of such business;

(10) "General contractor" means the person or entity responsible to the owner or developer for the supervision or performance of substantially all of the work, labor, and the furnishing of materials in furtherance of the construction, erection, remodeling, repair, improvement, alteration or demolition of a building, structure or other undertaking and who contracts directly with the owner or developer of the building, structure or other undertaking; "general contractor" includes a prime contractor;

(11) "Good standing with the Tennessee Department of Revenue" means the secretary of state has received and verified through electronic confirmation or a certificate of tax clearance issued by the Commissioner of

Revenue that a corporation, limited liability company, limited liability partnership, or limited partnership is current on all fees, taxes, and penalties to the satisfaction of the commissioner;

(12) "Member of a limited liability company" means any member of a limited liability company formed pursuant to Title 48, Chapters 201–249 that is active and in good standing as reflected in the records of the secretary of state;

(13) "Members of the same family of the applicant" means parents, children, siblings, grandparents, grandchildren, stepparents, stepchildren, stepsiblings, or spouses of such, and includes adoptive relationships;

(14) "Partner" means any person who is a member of an association that is formed by two (2) or more persons to carry on as co-owners of a business or other undertaking for profit and such association is active and in good standing as reflected in the records of the secretary of state;

(15) "Person" means only a natural person and does not include a business entity;

(16) "Registry" means the construction services provider workers' compensation exemption registry established pursuant to this part and maintained by the secretary of state; and

(17) "Sole proprietor" means one (1) person who owns a form of business in which that person owns all the assets of such business.

§ 50-6-902.

(a) Except as provided in subsection (b), all construction services providers shall be required to carry workers' compensation insurance on themselves. The requirement set out in this subsection (a) shall apply whether or not the provider employs fewer than five (5) employees.

(b) To the extent there is no restriction on applying for an exemption pursuant to § 50-6-903, a construction services provider shall be exempt from subsection (a) if the provider:

(1) Is a construction services provider rendering services on a construction project that is not a commercial construction project and is listed on the registry;

(2) Is a construction services provider rendering services on a commercial construction project, is listed on the registry and such provider is rendering services to a person or entity that complies with § 50-6-914(b)(2);

(3) Is covered under a policy of workers' compensation insurance maintained by the person or entity for whom the provider is providing services;

(4) Is a sole proprietor or partner engaged in the construction industry doing work directly for the owner of the property;

(5) Is a sole proprietor or partner building a dwelling or other structure, or performing maintenance, repairs, or making additions to structures, on the sole proprietor or partner's own property for the sole proprietor or partner's own use and for which the sole proprietor or partner receives no compensation; or

(6) Is a provider whose employment at the time of injury is casual as provided in § 50-6-106.

(c) A subcontractor engaged in the construction industry under contract to a general contractor engaged in the construction industry may elect to be covered under any policy of workers' compensation insurance insuring the general contractor upon written agreement of the general contractor, regardless of whether such subcontractor is on the registry established pursuant to this part, by filing written notice of the election, on a form prescribed by the Commissioner of Labor and Workforce Development, with the department. It is the responsibility of the general contractor to file the written notice with the department. Failure of the general contractor to file the written notice shall not operate to relieve or alter the obligation of an insurance company to provide coverage to a subcontractor when the subcontractor can produce evidence of payment of premiums to the insurance company for the coverage. The election shall in no way terminate or affect the independent contractor status of the subcontractor for any other purpose than to permit workers' compensation coverage. The election of coverage may be terminated by the subcontractor or general contractor by providing written notice of the termination to the department and to all other parties consenting to the prior election. The termination shall be effective thirty (30) days from the date of the notice to all other parties consenting to the prior election and to the department.

(d) Nothing in this part shall be construed as exempting or preventing a construction services provider from carrying workers' compensation insurance for any of its employees. The requirement set out in this subsection (d) shall apply whether or not the provider employs fewer than five (5) employees.

§ 50-6-903.

(a) Except as provided in subsections (b) and (c), any construction services provider who meets one (1) of the following criteria may apply for an exemption from § 50-6-902(a):

(1) An officer of a corporation who is engaged in the construction industry; provided, that no more than three (3) officers of one (1) corporation shall be eligible for an exemption;

(2) A member of a limited liability company who is engaged in the construction industry if such member owns at least thirty percent (30%) of such company;

(3) A partner in a limited partnership, limited liability partnership or a general partnership who is engaged in the construction industry if such partner owns at least thirty percent (30%) of such partnership;

(4) A sole proprietor engaged in the construction industry; or

(5) An owner of any business entity listed in subdivisions (1)–(3) that is family owned; provided, no more than three (3) owners of one (1) family owned business may be exempt from § 50-6-902(a).

(b)(1) Notwithstanding subsection (a), if a construction services provider is exempt from § 50-6-902 as an officer of a corporation, a member of a limited liability company, or a partner in a limited partnership, limited liability partnership or a general partnership, then no construction services provider of an affiliate of such an exempted provider shall be eligible to apply for or receive an exemption from § 50-6-902(a).

(2) As used in this subsection (b), affiliate with respect to the corporation, limited liability company, limited partnership, limited liability partnership or general partnership means:

(A) A person that directly or indirectly controls, is controlled by or is under common control with the entity;

(B) An officer of, or a person performing similar functions with respect to, the entity; or

(C) A director or partner of, or a person performing similar functions with respect to, the entity.

(c) A construction services provider shall only be eligible for and may only utilize one (1) exemption, regardless of the number of business entities with which the provider may be associated.

§ 50-6-904.

(a)(1)(A) Any construction services provider applying for an exemption from § 50-6-902(a) who has not been issued a license by the board shall obtain a construction services provider registration from the secretary of state at the same time such provider applies for such exemption.

(B) The secretary of state is authorized and directed to issue the construction services provider registration on behalf of the board. The secretary of state shall issue an identification number assigned to the provider's registration. The board shall obtain such identification number and other identifying information from the secretary of state.

(2) Any construction services provider requesting exemption from § 50-6-902(a) shall submit an application along with the required filing fees to the secretary of state. The applicant shall provide

sufficient documentation for the secretary of state to assure that such applicant meets the requirements set out in § 50-6-902, including, but not limited to:

(A) The applicant's full legal name;

(B) The applicant's birth month;

(C) The applicant's physical address; provided, that the applicant may provide a post office box number for purposes of receiving mail from the secretary of state, as long as the applicant also provides a physical address for the business entity for which the applicant is an officer, member, partner or owner;

(D) A telephone number through which the applicant can be reached;

(E) The name of the business entity through which the applicant is seeking the workers' compensation exemption;

(F) The federal employer identification number issued to the applicant if a sole proprietor or a business entity for which the applicant is an officer, member, partner or owner seeking exemption pursuant to § 50-6-903, and the last four (4) digits of the applicant's social security number;

(G) The contractor license number issued by the board to such applicant or the construction services provider registration number issued by the secretary of state to such applicant;

(H) A current license issued by a local government pursuant to § 67-4-723, if the business entity through which the applicant is seeking the workers' compensation exemption is required by law to obtain such license; and

(I) Any other information the secretary of state deems necessary to identify such applicant.

(3) The secretary of state shall verify that the applicant meets the qualifications set out in § 50-6-902 upon a review of its records and the records provided by such applicant.

(b) The application shall be on a form designed by the secretary of state and shall contain a statement that specifies the eligibility requirements for exemption, contain an attestation that the applicant meets the eligibility requirements and contain a statement that a false statement on such application is subject to the penalties of perjury set out in § 39-16-702.

(c) The application, as well as a process for submission of such application, shall be available through the secretary of state's Web site or by contacting the secretary of state's office in person or by mail.

§ 50-6-905.

(a) If a construction services provider's application delivered to the secretary of state meets the requirements of this part, as determined by the secretary of state, the secretary of state shall file the application and:

(1) Issue a notice to such provider that the provider is listed on the registry; and

(2) Publish on the registry, contained on the secretary of state's Web site, the provider's name and other identifying information, including, but not limited to:

(A) The full legal name of the provider;

(B) The specific identification number issued to the provider by the secretary of state upon filing the application;

(C) The period in which the provider is exempt, including the date and time in which such exemption expires; and

(D) Any other identifying information the secretary of state deems necessary for the public to identify such provider.

(b) The provider shall not be exempt from the requirement of § 50-6-902(a) until the provider's application is filed by the secretary of state and the applicant's name and other identifying information is published on the registry. If a provider's exemption is revoked pursuant to § 50-6-908, such revocation is effective upon the provider's name and other identifying information no longer appearing on the registry after being removed by the secretary of state pursuant to § 50-6-908.

(c) A provider listed on the registry may correct a document filed with the secretary of state if the document contains an incorrect statement or was defectively executed, attested, sealed, verified or acknowledged. A document shall be corrected in a manner established by the secretary of state.

(d) A provider listed on the registry shall maintain a current physical mailing address with the secretary of state. A change of address shall be made in a manner established by the secretary of state.

§ 50-6-906.

(a) If the secretary of state refuses to file an application and list the construction services provider on the registry, the secretary of state shall return such application to the provider within ten (10) business days after the document was received for filing, together with a brief, written explanation of the reason for the secretary of state's refusal to file.

(b) If the secretary of state refuses to file an application and list a provider on the registry, the provider may appeal the refusal to the chancery court of Davidson County. The appeal shall be commenced by petitioning the court to compel listing such provider on the registry and shall attach to the petition the application and the secretary of state's explanation of the secretary of state's refusal to file.

(c) The court may reverse or modify the actions of the secretary of state if the rights of the provider have been prejudiced because the secretary of state's actions are:

(1) In violation of constitutional or statutory provisions;

(2) In excess of the statutory authority of the secretary of state;

(3) Made upon unlawful procedure; or

(4) Arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion.

(d) After any hearing deemed necessary by the court, the court may summarily order the secretary of state to list such provider on the registry or take other action the court considers appropriate.

(e) The court's final decision may be appealed as in other civil proceedings.

§ 50-6-907.

(a) The exemption obtained pursuant to this part shall be valid for two (2) years from a date and time set by the secretary of state. No more than sixty (60) days prior to the expiration of the exemption period, a construction services provider may file an application to renew an exemption. Renewal of an exemption shall be made in a manner established by the secretary of state.

(b) The secretary of state shall remove the construction services provider's name from the registry at the close of business on the day the provider's exemption expires. If the exemption expires on a day that state offices are closed or the secretary of state's office is closed, the exemption shall expire at the close of business on the next business day.

(c) A construction services provider whose registration expires under this section may renew the exemption by following the procedure outlined in § 50-6-904.

§ 50-6-908.

(a)(1) Any construction services provider who obtains an exemption and subsequently chooses to revoke such exemption shall:

(A) Give notice to the person or entity for whom the provider may currently be providing services of the revocation in accordance with a form prescribed by the secretary of state;

(B) Attest as to whether or not the provider has any employment related injuries at the time of such revocation that occurred while providing services to a person or entity that did not provide coverage under a policy of workers' compensation; and

(C) Within twenty-four (24) hours of such revocation, notify any person or entity for whom the provider is currently providing services that the provider has voluntarily revoked the provider's workers' compensation exemption.

(2) Upon filing such notice, the secretary of state shall remove the construction services provider's name from the registry.

(3) A construction services provider who revokes an exemption under this section may reapply for an exemption by following the procedure set forth in § 50-6-904.

(b)(1) In addition to the revocation set out in subsection (a), a workers' compensation exemption may be revoked by the secretary of state upon:

(A) Notification from the board that the board has revoked or suspended any license issued to the construction services provider by the board;

(B) Notification from the department of any violations of § 50-6-412 by the construction services provider;

(C) A determination by the secretary of state that the construction services provider no longer meets the requirements for an exemption established pursuant to this part; or

(D) A determination by the secretary of state that the construction services provider failed to renew prior to the expiration date of such exemption or the provider failed to pay any fees required to be paid pursuant to this part.

(2) Any notification of a violation made by the department pursuant to subdivision (b)(1)(B) shall include information indicating whether such violation requires a temporary or permanent revocation pursuant to § 50-6-412.

(3) If a provider's exemption is revoked pursuant to this section, the secretary of state shall:

(A) Remove the construction services provider's name from the registry within seven (7) days of receipt of notification from the department or the board, or upon making a determination as provided in subdivision (b)(1)(C) or (D); and

(B) Notify the construction services provider that such provider is required to notify, within twenty-four (24) hours of such revocation, any person or entity for whom the provider is currently providing services that the provider's workers' compensation exemption has been revoked.

(4) If a provider's exemption is revoked pursuant to subdivision (b)(1), the administrative and judicial procedures available to such provider shall be those procedures set out in § 50-6-906.

(c) If a construction services provider's exemption is revoked pursuant to this section, the construction services provider shall be required to carry workers' compensation insurance as provided in § 50-6-902(a); provided, that such construction services provider does not otherwise meet an exemption set out in § 50-6-902(b).

(d) A construction services provider whose exemption is revoked for any reason set out in this part shall be notified of such revocation in writing, and shall not be entitled to a refund of filing fees.

§ 50-6-909.

(a) Except as provided in § 50-6-412(h)(2), a construction services provider whose exemption is revoked pursuant to § 50-6-908 may apply to reinstate such exemption in the same manner as provided for in this part for an initial application.

(b) A construction services provider whose exemption is revoked under § 50-6-908(b) may only be granted a reinstatement of exemption:

(1) Upon notification to the secretary of state from the board that such provider's license is no longer revoked or suspended;

(2) Upon notification from the Department of Labor and Workforce Development to the secretary of state that the provider qualified for reinstatement pursuant to § 50-6-412(g); and

(3) If the secretary of state determines that the provider meets the requirements for an exemption established pursuant to this part.

(c) Upon verification by the secretary of state that the requirements of subsection (b) are met, the secretary of state shall file the application in accordance with § 50-6-905.

§ 50-6-910.

Any action to recover damages for injury, as defined by § 50-6-102, by a construction services provider who was on the registry at the time of such injury, who was not covered under a policy of workers' compensation

insurance maintained by the person or entity for whom the provider was providing services at the time of such injury, and was a provider who was eligible for an exemption pursuant to § 50-6-914(b)(2) at the time of such injury, shall proceed as at common law, and the defendant in the suit may make use of all common law defenses; provided, however, such construction services provider shall forego the right to sue to establish or reestablish workers' compensation coverage for any injuries that occurred while the construction services provider was listed on the registry.

§ 50-6-911.

(a)(1) The secretary of state shall provide notice on its Web site that the registry is for purposes of establishing providers who are exempt from workers' compensation coverage and in no way reflects licensing or certification of any construction services provider.

(2) The board, the Department of Commerce and Insurance and the Department of Labor and Workforce Development shall each develop a notice provision to inform the public that any person or entity interested in determining whether a construction services provider is exempt from workers' compensation coverage shall review the secretary of state's Web site. Such notice provision shall be prominently displayed on the Web site of the board, the Department of Commerce and Insurance and the Department of Labor and Workforce Development.

(b)(1) The secretary of state shall provide notice to the Department of Labor and Workforce Development, the board and the Department of Commerce and Insurance when a construction services provider is added to or removed from the registry.

(2) If any construction services provider has a license issued by the board, and such license is revoked or suspended, the board shall immediately notify the secretary of state, in order for the secretary of state to revoke such provider's exemption pursuant to § 50-6-908(b).

§ 50-6-912.

(a) The secretary of state may charge the following maximum fees for each of the following:

(1) The issuance of a construction services provider registration to providers who have not been issued a license by the board\$100

(2) The issuance of a construction services provider workers' compensation exemption.....\$100

(3) The filing of correction information pursuant to § 50-6-905(c)\$20

(4) The filing of change of address information pursuant to § 50-6-905(d).....\$20

(5) The filing of a construction services provider workers' compensation exemption renewal.....\$100

(6) The filing of a construction services provider registration renewal to providers who have not been issued a license by the board\$100

(7) The filling of a revocation pursuant to § 50-6-908(a)\$20

(8) The issuance of a copy of the notice issued pursuant to § 50-6-905(a)(1).....\$20

(b) In addition to the maximum fees authorized in subsection (a), the secretary of state is authorized to charge an online transaction fee to cover costs associated with processing payments for applications submitted online.

(c) Except as provided in subsections (a) and (b), no other fees shall be charged by the secretary of state to administer this part.

§ 50-6-913.

(a) Any fee collected pursuant to § 50-6-912 shall be deposited in the fund established pursuant to subsection (b) and shall not be subject to § 8-21-205 or § 50-6-801.

(b)(1) There is created a fund to be known as the workers' compensation employee misclassification education and enforcement fund, referred to in this part as "the fund". Except as provided in § 50-6-918, all money in such fund shall be allocated to the secretary of state to pay for all costs associated with the administration of this part. Monies in the fund shall not revert to the general fund of the state.

(2) Interest accruing on investments and deposits of the fund shall be credited to such account, shall not revert to the general fund, and shall be carried forward into each subsequent fiscal year.

(3) Monies in the fund account shall be invested in accordance with § 9-4-603.

(4) The secretary of state shall report to the treasurer, the Speaker of the House of Representatives, the Speaker of the Senate, the Commissioner of Finance and Administration and the employee misclassification advisory taskforce the total amount of expenditures for purposes of implementing this part for the prior fiscal year, as provided in subsection (b)(1). The report shall also include an estimate of expenditures for the current fiscal year. The report made pursuant to this subdivision (b)(4) shall be made no later than September 1, 2011, and no later than September 1 of each year thereafter.

(5) The governor shall submit to the general assembly in the annual budget document prepared pursuant to Title 9, Chapter 4, Part 51, recommendations concerning the distributions to be made pursuant to subdivision (b)(1).

§ 50-6-914.

(a) Except as provided for in subsection (b), a general contractor, intermediate contractor or subcontractor shall be liable for compensation to any employee injured while in the employ of any of the subcontractors of the general contractor, intermediate contractor or subcontractor and engaged upon the subject matter of the contract to the same extent as the immediate employer.

(b)(1) Notwithstanding subsection (a) and subject to subdivision (b)(2), a general contractor, intermediate contractor or subcontractor shall not be liable for workers' compensation to a construction services provider listed on the registry established pursuant to this part.

(2)(A) No more than three (3) construction services providers who are performing direct labor on a commercial construction project may be exempt from § 50-6-902(a).

(B) For purposes of subdivision (b)(2)(A), the three (3) construction services providers shall be the first three (3) construction services providers listed on the registry who sign a contract to provide services on a commercial construction project.

(C) It shall be the responsibility of the general contractor to provide notice to any construction services provider who provides services to such general contractor and who is listed on the registry that such provider is not eligible for an exemption pursuant to this part while working on the general contractor's commercial construction project.

(c) Any general contractor, intermediate contractor or subcontractor who pays compensation under subsection (a) may recover the amount paid from any person or entity who, independently of this section, would have been liable to pay compensation to the injured employee, or from any subcontractor.

(d) Every claim for compensation under this section shall be presented first to and instituted against the immediate employer, but the proceedings shall not constitute a waiver of the employee's rights to recover compensation under this chapter from the general contractor, intermediate contractor or subcontractor; provided, that the collection of full compensation from one (1) employer shall bar recovery by the employee against any others, and the employee shall not collect from all employers a total compensation in excess of the amount for which any of the contractors is liable.

(e) This section applies only in cases where the injury occurred on, in, or about the premises on which the general contractor has undertaken to execute work or that are otherwise under the general contractor's control or management.

§ 50-6-915.

Notwithstanding any law to the contrary, records maintained by the secretary of state relative to the construction services provider registration and to the workers' compensation exemption registration, other than records displayed on the registry established pursuant to this part, shall not constitute a public record as defined in § 10-7-503 and shall not be open for public inspection.

§ 50-6-916.

Nothing in this part shall be construed as preventing or prohibiting any contractor from requiring a certificate of workers' compensation insurance from any of its subcontractors or any construction services providers providing services to such contractor.

§ 50-6-917.

A policy of workers' compensation insurance issued through the assigned risk plan as provided in § 56-5-314 that insures a person engaged in the construction industry shall be governed by this part, and a state agency shall not impose requirements relative to this part on such a policy other than those imposed by this part.

§ 50-6-918.

(a) Beginning no later than March 1, 2013, and each fiscal year thereafter, the employee misclassification advisory taskforce created pursuant to § 50-6-919 shall make recommendations to the general assembly regarding the allocation of any surplus in the workers' compensation employee misclassification education and enforcement fund created pursuant to § 50-6-913; provided, however, such recommendations shall include a minimum of eighty percent (80%) of such surplus being allocated for the purposes of enforcement efforts relative to employee misclassification by the Department of Labor and Workforce Development and the board for licensing contractors; provided, further, that such recommendations may include amounts being allocated to the secretary of state for purposes of making improvements needed to maintain the construction services provider registration program and the workers' compensation exemption registry.

(b) For purposes of this section, "surplus" means any amount in the fund that exceeds one and one-half (1.5) times the amount used from the fund in the previous fiscal year to pay for the costs associated with this part, including the amount used from the fund to pay the cost for the secretary of state to administer this part as provided for in § 50-6-913(b).

(c) Beginning on October 1, 2012, and annually thereafter, the treasurer shall report the balance in the fund and the amount of such balance that is considered surplus to the Commissioner of Finance and Administration for inclusion in the annual budget document prepared pursuant to Title 9, Chapter 4, Part 51 and to the employee misclassification advisory taskforce created pursuant to § 50-6-919.

§ 50-6-919.

(a) There is created the employee misclassification advisory taskforce to study and make recommendations regarding issues relative to employee misclassification in the construction industry.

(b) The taskforce shall study issues relative to employee misclassification in the construction industry, including, but not limited to:

(1) The impact of employee misclassification on state and local governments of this state and the amount of state revenue, if any, that is lost or not collected due to employee misclassification;

(2) The lost earnings of the insurance industry due to employee misclassification;

(3) The estimates of the frequency of occurrence and economic impact of employee misclassification and whether particular industries are more likely to engage in the misclassification of employees;

(4) Whether state law should specify a uniform definition of the employment relationship and, if so, how it should be defined;

(5) Whether existing Tennessee laws aimed at preventing, investigating and taking enforcement action against the failure of employers to properly classify individuals as employees are effective;

(6) Whether there are ways to facilitate the sharing of information among agencies represented by taskforce members relative to violations of laws by employers who fail to classify individuals as employees;

(7) Whether there are new ways to pool, focus and target investigative and enforcement resources relative to employee misclassification;

(8) New strategies for systematically investigating the failure of employers to properly classify individuals as employees;

(9) Whether improvements are needed to facilitate the filing of complaints and identify potential violators, including, but not limited to, soliciting referrals and other relevant information from the public;

(10) Changes in the law, if any, that need to be made in order to ensure that agencies represented by taskforce members investigating the failure of employers to properly classify individuals as employees under their own statutory or administrative enforcement mechanism have the authority to refer a matter to other participating agencies for assessment of potential liability under the other agencies' relevant statutory or administrative enforcement mechanisms;

(11) Innovative ways to prevent misclassification of employees by employers, such as through disseminating educational materials regarding the legal differences between independent contractors and employees;

(12) Methods by which public awareness of the illegal nature and harms inflicted by the failure of employers to properly classify individuals as employees can be increased; and

(13) Any other issues relative to employee misclassification in the construction industry.

(c) The taskforce shall seek public input and may conduct public hearings or appoint study groups as necessary to obtain information necessary to conduct its study.

(d) Membership on the taskforce shall be as follows:

(1) The Commissioner of Labor and Workforce Development or the commissioner's designee;

(2) The Commissioner of Commerce and Insurance or the commissioner's designee; and

(3) The executive director of the board for licensing contractors or the director's designee.

(e) The secretary of state or the secretary of state's designee, the attorney general and reporter or the attorney general's designee, the chairman of the advisory council on workers' compensation or the chairman's designee, the executive director of the district attorneys general conference or the director's designee, and the director of the Tennessee bureau of investigation or the director's designee shall all serve as ex officio nonvoting members of the taskforce. The taskforce may appoint additional ex officio nonvoting members as it deems appropriate.

(f) The Commissioner of the Department of Labor and Workforce Development shall convene the first meeting of the taskforce on or after February 1, 2011, at which meeting the taskforce shall elect its officers from the voting members and otherwise organize itself as it deems appropriate.

(g) On or before February 1, 2012, and on or before February 1 annually thereafter, the taskforce shall submit a report on its findings and progress to the Commerce, Labor and Agriculture Committee of the Senate, and the consumer and employee affairs committee of the House of Representatives.

(h) To the extent permitted by law, every agency, department, office, division or public authority of this state shall cooperate with the taskforce and furnish such information that the taskforce determines is reasonably necessary to accomplish its purposes.

(i) In accordance with procedures set forth in Title 4, Chapter 5, Part 2, the Department of Labor and Workforce Development, the Department of Commerce and Insurance, and the board for licensing contractors may individually implement recommendations of the taskforce; provided, that such implementation is authorized under the existing statutory authority of the respective departments or board.

§ 50-6-920.

(a) It is an offense for any employer to knowingly:

(1) Coerce or attempt to coerce, as a precondition to employment or otherwise, a job applicant to obtain an exemption pursuant to this part; or

(2) Coerce, attempt to coerce, discharge or take any adverse employment action against an employee because the employee has failed to obtain an exemption pursuant to this part.

(b) A violation of subsection (a) is a Class A misdemeanor.

SECTION 14. Tennessee Code Annotated, Section 50-6-102(11), is amended by deleting the language "except as provided in § 50-6-113" and substituting instead "except as provided in § 50-6-902".

SECTION 15. Tennessee Code Annotated, Section 50-6-106(5), is amended by deleting the language "except as provided in § 50-6-113" and substituting instead "except as provided in § 50-6-902".

SECTION 16. The employee misclassification advisory taskforce created by this act shall terminate on June 30, 2014, unless continued by the general assembly.

SECTION 17. The provisions of this act shall not be construed to be an appropriation of funds and no funds shall be obligated or expended pursuant to this act unless such funds are specifically appropriated by the General Appropriations Act.

SECTION 18. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 19. (a) The secretary of state is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with Tennessee Code Annotated, Title 4, Chapter 5; provided, that the secretary of state shall permit:

(1) Construction services providers not currently licensed by the board for licensing contractors, but who qualify for a construction services provider registration, to apply for a workers' compensation exemption on or after January 1, 2011; and

(2) Construction services providers licensed by the board for licensing contractors to apply for a workers' compensation exemption on or after February 1, 2011.

(b) The construction services provider workers' compensation exemption for any provider not exempt under current law who has been placed on the workers' compensation exemption registry by the secretary of state shall be in effect beginning at 12:00 a.m. on March 1, 2011, regardless of such provider's date of application; provided, that, any person exempt under provisions of law in effect prior to March 1, 2011, shall maintain such exemption until March 1, 2011.

SECTION 20. (a) Section 19 of this act shall take effect upon becoming a law, the public welfare requiring it.

(b) Sections 7, 8, 9, 10, 11 and subsection (g) and subdivision (h)(1) in Section 12 of this act shall take effect July 1, 2011, the public welfare requiring it.

(c) Subdivision (h)(2) in Section 12 of this act shall take effect March 1, 2012, the public welfare requiring it, and shall apply only to a failure to secure payment for compensation that occurs on or after such date.

(d) For all other purposes, this act shall take effect March 1, 2011, the public welfare requiring it.

On motion, Amendment No. 6 was adopted.

Senator Henry moved to amend as follows:

AMENDMENT NO. 7

AMEND by deleting § 50-6-913 and § 50-6-918 of the bill as amended and by substituting instead the following:

§ 50-6-913.

(a) There is created a fund to be known as the "Employee Misclassification Education and Enforcement Fund". Any fee collected pursuant to § 50-6-912(a) shall be deposited in the Employee Misclassification Education and Enforcement Fund. Monies in the fund shall be invested by the state treasurer in accordance with the provisions of § 9-4-603. The fund shall be administered by the Commissioner of Labor and Workforce Development.

(b) All costs of the secretary of state associated with the administration of this part shall be paid by the Commissioner of Labor and Workforce Development from the Employee Misclassification Education and Enforcement Fund. Monies remaining in the fund after such payment may be expended, subject to appropriation by the general assembly, at the direction of the Commissioner of Labor and Workforce Development for education of employers and employees regarding the requirements of this part and in support of the ongoing investigation and prosecution of employee misclassification.

(c) Any amount in the Employee Misclassification Education and Enforcement Fund at the end of any fiscal year shall not revert to the general fund, but shall remain available for the purposes set forth in subdivision. Interest accruing on investments and deposits of the Employee Misclassification Education and Enforcement Fund shall be credited to such account, shall not revert to the general fund, and shall be carried forward into each subsequent fiscal year.

§ 50-6-918.

Beginning with fiscal year 2012-2013, and each fiscal year thereafter, the Employee Misclassification Advisory Taskforce created pursuant to § 50-6-919 shall make recommendations to the general assembly regarding programs and services to be funded from the Employee Misclassification Education and Enforcement Fund created pursuant to § 50-6-913.

On motion, Amendment No. 7 was adopted.

On motion of Senator Johnson, Amendment No. 2 was withdrawn.

On motion of Senator Johnson, Amendment No. 3 was withdrawn.

On motion of Senator Johnson, Amendment No. 4 was withdrawn.

On motion of Senator Johnson, Amendment No. 5 was withdrawn.

Thereupon, **Senate Bill No. 3591**, as amended, passed its third and final consideration by the following vote:

Ayes	32
Noes	0
Present, not voting . . .	1

Senators voting aye were: Barnes, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--32.

Senator present and not voting was: Beavers--1.

A motion to reconsider was tabled.

MOTION

Senator Burchett moved that Rule 37 be suspended for the immediate consideration of **Senate Joint Resolution No. 1297**, out of order, which motion prevailed.

RESOLUTION LYING OVER

Senate Joint Resolution No. 1297 -- Memorials, Death -- Bob Rush.

On motion of Senator Burchett, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 1297** was adopted.

MOTION

Senator Burchett moved that Rule 37 be suspended for the immediate consideration of **Senate Joint Resolution No. 1298**, out of order, which motion prevailed.

RESOLUTION LYING OVER

Senate Joint Resolution No. 1298 -- Memorials, Retirement -- Patricia Evans.

On motion of Senator Burchett, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 1298** was adopted.

CALENDAR NO. 1

Senate Bill No. 3290 -- Sexual Offenders -- As introduced, requires all sexual offenders who are required to be on the sexual offender registry and whose victim was 15 years of age or younger to attend a class sponsored by the offender's registering agency on the evening of October 31 of every year. Amends TCA Title 40, Chapter 39.

Senator Henry moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 40-39-211, is amended by adding the following as a new subsection:

(__)(1) While mandated to comply with the requirements of this part, no sexual offender, as defined in § 40-39-202, or violent sexual offender, as defined in § 40-39-202, shall establish a primary or secondary residence with two (2) or more other such offenders, or where two (2) or more other such offenders currently reside.

(2) No person, corporation or other entity shall knowingly permit more than three (3) sexual offenders, as defined in § 40-39-202, violent sexual offenders, as defined in § 40-39-202, or a combination thereof; while such offenders are mandated to comply with the requirements of this part, to establish a primary or secondary residence in any house, apartment or other habitation, as defined by Section 39-14-401(A)(1), owned or under the control of such person, corporation or entity.

(3) The provisions of this subsection shall not apply to any residential treatment facility in which more than three (3) sexual offenders, as defined in § 40-39-202, violent sexual offenders, as defined in § 40-39-202, or combination thereof, reside following sentencing to such facility by a court or placement in such facility by the board of probation and parole for the purpose of in-house sexual offender treatment; provided, the treatment facility complies with the guidelines and standards for the treatment of sexual offenders established by the sex offender treatment board pursuant to § 39-13-704.

SECTION 2. This act shall take effect July 1, 2010, the public welfare requiring it.

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Bill No. 3290**, as amended, passed its third and final consideration by the following vote:

Ayes	32
Noes	1

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--32.

Senator voting no was: Kelsey--1.

A motion to reconsider was tabled.

Senate Bill No. 3598 -- State Government -- As introduced, creates a procurement commission, procurement office, and an advisory council on state procurement and regulates the procurement, management, contracting, and disposal of goods and services by the state. Amends TCA Title 4 and Title 12.

On motion, Senate Bill No. 3598 was made to conform with **House Bill No. 3353**.

On motion, House Bill No. 3353, on same subject, was substituted for Senate Bill No. 3598.

On motion of Senator Ketron, Amendment No. 1 was withdrawn.

On motion of Senator Henry, Amendment No. 2 was withdrawn.

RECESS

Senator Jackson moved the Senate stand in recess for the purpose of allowing Mr. Justin Wilson, Comptroller of the State of Tennessee, to address the Senate, which motion prevailed.

CALL TO ORDER

The Senate was called to order by Mr. Speaker Ramsey.

ROLL CALL

The Speaker declared that a quorum was present.

On motion, the roll call was dispensed with.

CALENDAR NO. 1

FURTHER ACTION ON HOUSE BILL NO. 3353

Senator Black moved for the previous question on **House Bill No. 3353**, which motion prevailed.

Thereupon, **House Bill No. 3353** passed its third and final consideration by the following vote:

Ayes	25
Noes	6

Senators voting aye were: Beavers, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Harper, Haynes, Henry, Jackson, Johnson, Kelsey, Ketron, McNally, Norris, Overbey, Southerland, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--25.

Senators voting no were: Barnes, Berke, Ford, Herron, Kyle and Marrero--6.

A motion to reconsider was tabled.

Senator Herron moved that **Senate Bill No. 3626** be placed on the Calendar for Friday, June 4, 2010, which motion prevailed.

House Joint Resolution No. 704 -- Memorials, Congress -- Expresses opposition to the institution of new federal review, oversight, or preemption of state health insurance laws, the creation of a federal health insurance exchange or connector, and the creation of a federal health insurance plan (public plan) option.

House Joint Resolution No. 704 was concurred in by the following vote:

Ayes	24
Noes	4
Present, not voting . . .	1

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Senators voting aye were: Beavers, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Gresham, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, McNally, Norris, Overbey, Southerland, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--24.

Senators voting no were: Berke, Ford, Harper and Marrero--4.

Senator present and not voting was: Kyle--1.

A motion to reconsider was tabled.

House Bill No. 2813 -- Sentencing -- As introduced, diverts certain non-violent property offenders from sentence of incarceration to sentence to community correction, probation or diversion program and increases percentage of sentence person convicted of aggravated robbery with weapon must serve from 30 percent to 85 percent. Amends TCA Title 40, Chapter 35.

Senator Beavers moved that Amendment No. 1 be placed at the heel of the Amendments, which motion prevailed.

Senator Beavers moved that Amendment No. 2 be placed at the heel of the Amendments, which motion prevailed.

Senator Beavers moved that Amendment No. 3 be placed at the heel of the Amendments, which motion prevailed.

Senator Beavers moved that Amendment No. 4 be placed at the heel of the Amendments, which motion prevailed.

Senator Henry moved that Amendment No. 5 be placed at the heel of the Amendments, which motion prevailed.

Senator Norris moved to amend as follows:

AMENDMENT NO. 6

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. The general assembly finds and declares that deterrence and punishment of violent crime is a matter of compelling public interest that requires the highest priority when allocating scarce public resources for the purpose of imprisoning criminals. To ensure that sufficient prison space is available for certain violent offenders to serve a sentence of sufficient length to longer remove them as a threat to society and to deter others from committing these offenses, it is in the public's best interest that certain non-violent property offenders currently serving prison sentences for less serious offenses be given alternative sentences not involving continuous confinement. By doing so, these property offenders are able to work in order to pay restitution to the victims of their crimes without using scarce prison beds thereby permitting longer sentences for those offenders who do threaten public safety.

SECTION 2. Tennessee Code Annotated, Title 40, Chapter 35, Part 1, is amended by adding the following as a new section:

Section 40-35-122.

(a) Notwithstanding any provision of law to the contrary, except as provided in subsection (b), the judge sentencing a defendant who commits a non-violent property offense, as defined in subsection (c), on or after July 1, 2010, shall not be authorized to impose the sentencing alternatives of continuous confinement in a local jail or the Department of Correction as authorized by § 40-35-104(c)(5), (c)(6), or (c)(8). However, the judge may sentence the defendant to any of the other sentencing alternatives authorized by § 40-35-104(c), which include, but are not limited to, periodic confinement, work release, community corrections, probation, or judicial diversion.

(b)(1) A defendant convicted of an offense set out in subsection (c) may be sentenced to any of the sentencing alternatives authorized by § 40-35-104(c), including a period of continuous confinement, if the sentencing judge determines the defendant:

(A) Has at least one (1) prior conviction at the time the subsection (c) offense is committed; or

(B) Violated the terms and conditions of the alternative sentence originally imposed upon the defendant pursuant to subsection (a).

(2) As used in this subsection:

(A) "Prior conviction" means that the defendant serves and is released or discharged from, is serving, or is on escape status from a separate period of incarceration or supervision for the commission of a felony offense prior to or at the time of committing an offense on or after July 1, 2010, listed in subsection (c);

(B) "Prior conviction" includes convictions under the laws of any other state, government or country that, if committed in this state, would constitute a felony. If an offense in a jurisdiction other than Tennessee is not identified as a felony in this state, it shall be considered a prior conviction if the elements of the offense are the same as the elements for a felony offense in this state; and

(C) "Separate period of incarceration or supervision" includes a sentence to any of the sentencing alternatives set out in § 40-35-104(c)(3)-(9).

(c) As used in this section, a "non-violent property offense" is:

(1) Forgery under § 39-14-114, where the amount of the forgery is less than one thousand dollars (\$1,000);

(2) Attempted forgery under §§ 39-12-101 and 39-14-114, where the amount of the forgery is one thousand dollars (\$1,000) or more but less than ten thousand dollars (\$10,000);

(3) Criminal simulation under § 39-14-115, where the amount is less than one thousand dollars (\$1,000);

(4) Attempted criminal simulation under §§ 39-12-101 and 39-14-115, where the amount is one thousand dollars (\$1,000) or more but less than ten thousand dollars (\$10,000);

(5) Facilitating criminal simulation under §§ 39-11-403 and 39-14-115, where the amount is one thousand dollars (\$1,000) or more but less than ten thousand dollars (\$10,000);

(6) Felony theft of services under § 39-14-104, where the amount of the theft is less than one thousand dollars (\$1,000);

(7) Shoplifting under §§ 39-14-103 or 39-14-146, where the amount taken is less than one thousand dollars (\$1,000);

(8) Felony fraudulent use of a credit card under § 39-14-118, where the amount of the theft is less than one thousand dollars (\$1,000);

(9) Felony passing worthless checks under § 39-14-121, where the amount of the check is less than one thousand dollars (\$1,000);

(10) Passing forged checks under § 39-14-114, where the amount of the forgery is less than one thousand dollars (\$1,000);

(11) Felony theft of property under § 39-14-103, where the amount of the theft is less than one thousand dollars (\$1,000);

(12) Attempted theft of property under §§ 39-12-101 and 39-14-103, where the amount of the attempted theft is one thousand dollars (\$1,000) or more but less than ten thousand dollars (\$10,000);

(13) Facilitating the theft of property under §§ 39-11-403 and 39-14-103, where the amount of the property is one thousand dollars (\$1,000) or more but less than ten thousand dollars (\$10,000);

(14) Conspiracy to commit theft of property under §§ 39-12-103 and 39-14-103, where the amount of the property is one thousand dollars (\$1,000) or more but less than ten thousand dollars (\$10,000);

(15) Felony vandalism under § 39-14-408, where the amount of the vandalism is less than one thousand dollars (\$1,000);

(16) Fraudulent transfer of a motor vehicle under § 39-14-147;

(17) Attempted burglary other than a habitation under §§ 39-12-101 and 39-14-402(a)(1), (a)(2) or (a)(3);

(18) Burglary of an auto under § 39-14-402(a)(4); and

(19) Burning personal property under § 39-14-303.

SECTION 3. Tennessee Code Annotated, Section 40-35-501, is amended by designating subdivision (k)(1) as (k)(2) and by adding the following new (k)(1):

There shall be no release eligibility for a person committing aggravated robbery, as defined in § 39-13-402(a)(1), on or after July 1, 2010, until the person has served eighty-five percent (85%) of the sentence imposed by the court less sentence credits earned and retained. However, no sentence reduction credits authorized by § 41-21-236, or any other provision of law, shall operate to reduce below seventy percent (70%) the percentage of sentence imposed by the court such person must serve before becoming release eligible.

SECTION 4. This act shall take effect July 1, 2010, the public welfare requiring it.

On motion, Amendment No. 6 was adopted.

On motion of Senator Beavers, Amendment No. 1 was withdrawn.

On motion of Senator Beavers, Amendment No. 2 was withdrawn.

On motion of Senator Beavers, Amendment No. 3 was withdrawn.

On motion of Senator Beavers, Amendment No. 4 was withdrawn.

On motion of Senator McNally, Amendment No. 5 was withdrawn.

Thereupon, **House Bill No. 2813**, as amended, passed its third and final consideration by the following vote:

Ayes	32
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--32.

A motion to reconsider was tabled.

House Bill No. 2598 -- Sunset Laws -- As introduced, extends board of pharmacy, June 30, 2013. Amends TCA Title 4, Chapter 29 and Title 63, Chapter 10, as amended.

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Thereupon, **House Bill No. 2598**, as amended, passed its third and final consideration by the following vote:

Ayes	23
Noes	8

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Gresham, Johnson, Kelsey, Ketron, McNally, Norris, Overbey, Southerland, Stewart, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--23.

Senators voting no were: Ford, Harper, Haynes, Henry, Herron, Jackson, Marrero and Tate --8.

A motion to reconsider was tabled.

Senator Watson moved that **Senate Bill No. 2424** be placed on the Calendar for Friday, June 4, 2010, which motion prevailed.

House Joint Resolution No. 30 -- Constitutional Conventions -- As introduced, rescinds three specific resolutions from 1977 and any other resolutions passed at any time that call for a federal constitutional convention.

House Joint Resolution No. 30 was concurred in by the following vote:

Ayes	30
Noes	1
Present, not voting . . .	1

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--30.

Senator voting no was: Marrero--1.

Senator present and not voting was: Harper--1.

A motion to reconsider was tabled.

Senate Bill No. 3644 -- Professions and Occupations -- As introduced, updates licensing requirements for locksmiths in accordance with the Locksmith Licensing Act of 2006. Amends TCA Title 62.

On motion, Senate Bill No. 3644 was made to conform with **House Bill No. 3923**.

On motion, House Bill No. 3923, on same subject, was substituted for Senate Bill No. 3644.

On motion of Senator Johnson, Amendment No. 1 was withdrawn.

On motion of Senator McNally, Amendment No. 2 was withdrawn.

Senator McNally moved to amend as follows:

AMENDMENT NO. 3

AMEND by deleting Section 3 as amended and substituting instead the following:

SECTION 3. Tennessee Code Annotated, Section 62-11-110(a), is amended by deleting the section in its entirety and by substituting instead the following:

Section 62-11-110.

(a) Any person, partnership, association or corporation who engages in or offers to engage in locksmithing services without a license, or who violates the terms and conditions of any licensure or license or renewal of any license granted by the commissioner pursuant to this chapter, shall be subject to a civil penalty of no more than two thousand five hundred dollars (\$2,500) per occurrence.

(b) Any person, partnership, association or corporation who engages in or offers to engage in locksmithing services without a license, as required by this chapter, shall be ineligible to apply for a license until twelve (12) months after the violation occurred.

(c) In addition to revocation or suspension of license, a civil penalty of no more than two thousand five hundred dollars (\$2,500), may be assessed by the commissioner against any person, partnership, association, or corporation who violates any provision of this chapter, or any rule of the commissioner promulgated pursuant to this chapter.

(d)(1) It is an offense for a person to knowingly engage in or offer to engage in locksmithing services if:

(A) The services are rendered in exchange for compensation; and

(B) The person does not have a valid license to do so.

(2) A violation of this subsection is a Class A misdemeanor.

Senator McNally moved to amend as follows:

AMENDMENT NO. 1 TO AMENDMENT NO. 3

AMEND by deleting the language "Class A misdemeanor" in amendatory § 62-11-110(d)(2) of Section 3 of the bill as amended and by substituting instead the language "Class B misdemeanor".

On motion, Amendment No. 1 to Amendment No. 3 was adopted.

On motion, Amendment No. 3, as amended, was adopted.

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Thereupon, **House Bill No. 3923**, as amended, passed its third and final consideration by the following vote:

Ayes 30
Noes 2

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Ford, Gresham, Harper, Haynes, Henry, Jackson, Johnson, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--30.

Senators voting no were: Herron and Kelsey--2.

A motion to reconsider was tabled.

Senate Bill No. 2033 -- Tennessee Housing Development Agency -- As introduced, requires agency to develop and implement a system of county needs scores to, among other things, ensure that suburban communities have equal opportunity and awards similar to urban communities. Amends TCA Title 13, Chapter 23.

On motion, Senate Bill No. 2033 was made to conform with **House Bill No. 2187**.

On motion, House Bill No. 2187, on same subject, was substituted for Senate Bill No. 2033.

On motion of Senator Ketron, Amendment No. 1 was withdrawn.

On motion of Senator Bunch, Amendment No. 2 was withdrawn.

Senator Bunch moved to amend as follows:

AMENDMENT NO. 3

AMEND by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION ____ Tennessee Code Annotated, Section 13-23-107, is amended by adding the following language as a new, appropriately designated subsection:

() (1) In addition to the restrictions prescribed in § 13-23-113, no appointed member of the board of directors shall apply for or receive funds from an agency grant while serving as a member of the board, either directly or on behalf of any company with whom such person is an officer or an equity owner having an ownership interest in such company. The provisions of this subsection shall also apply to a relative of an appointed member of the board of directors. As used in this subsection, "relative" means spouse, parent, sibling or child.

(2) A member who violates the provisions of this subsection shall be removed from the board by the governor.

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(3) Any agency grant awarded in violation of this section shall be void and of no effect, and all funds received pursuant to such grant shall be returned to the agency.

On motion, Amendment No. 3 was adopted.

Thereupon, **House Bill No. 2187**, as amended, passed its third and final consideration by the following vote:

Ayes	33
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

Senate Bill No. 3341 -- Health Care -- As introduced, creates a stand-alone "Department of Intellectual and Developmental Disabilities". Amends TCA Title 2; Title 3; Title 4; Title 8; Title 12; Title 33; Title 36; Title 37; Title 39; Title 40; Title 41; Title 45; Title 49; Title 50; Title 53; Title 55; Title 56; Title 57; Title 63; Title 67; Title 68 and Title 71.

On motion, Senate Bill No. 3341 was made to conform with **House Bill No. 3526**.

On motion, House Bill No. 3526, on same subject, was substituted for Senate Bill No. 3341.

On motion of Senator Watson, Amendment No. 1 was withdrawn.

On motion of Senator Crowe, Amendment No. 2 was withdrawn.

On motion of Senator McNally, Amendment No. 3 was withdrawn.

Thereupon, **House Bill No. 3526** passed its third and final consideration by the following vote:

Ayes	31
Noes	0

Senators voting aye were: Barnes, Beavers, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--31.

A motion to reconsider was tabled.

Senator Faulk moved that **Senate Bill No. 3121** be placed on the Calendar for Friday, June 4, 2010, which motion prevailed.

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Senator Norris moved that **Senate Bill No. 2810** be placed on the Calendar for Friday, June 4, 2010, which motion prevailed.

Senator Faulk moved that **Senate Bill No. 131** be placed on the Calendar for Friday, June 4, 2010, which motion prevailed.

Senator Ketron moved that **Senate Bill No. 273** be moved one place down on Calendar No. 1 for today, which motion prevailed.

FURTHER ACTION ON HOUSE BILL NO. 2454, AS AMENDED

On motion, Amendment No. 2 was adopted.

Thereupon, **House Bill No. 2454**, as amended, passed its third and final consideration by the following vote:

Ayes	30
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Marrero, McNally, Norris, Overbey, Southerland, Tate, Watson, Woodson, Yager and Mr. Speaker Ramsey--30.

A motion to reconsider was tabled.

Senate Bill No. 273 -- Commerce and Insurance, Dept. of -- As introduced, allows commissioner to initiate investigation under the Tennessee Insurance Producer Licensing Act of 2002 upon receiving a written complaint from a member of the public or determination by commissioner that "good cause" exists that a violation occurred. Amends TCA Title 56, Chapter 6 and Title 56, Chapter 8.

Senator Ketron declared Rule 13 on **Senate Bill No. 273**.

Senator Ford declared Rule 13 on **Senate Bill No. 273**.

On motion, Senate Bill No. 273 was made to conform with **House Bill No. 381**.

On motion, House Bill No. 381, on same subject, was substituted for Senate Bill No. 273.

Senator Johnson moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 56-6-117(g), is amended by deleting subdivision (1) in its entirety and by substituting instead the following language as a new subdivision (1):

(1)(A) All testimony, documents and other information in the control or possession of the department that is obtained by the commissioner in an investigation pursuant to this section or is furnished by an insurer or producer, or an employee or agent of the insurer or producer on behalf of such insurer or producer, shall, except as provided in subdivision (B) of this subdivision (1), be confidential and absolutely privileged and shall not be subject to:

(i) § 10-7-503 or § 56-1-602;

(ii) Subpoena; or

(iii) Discovery or be admissible as evidence in any private civil action.

(B)(i) The commissioner is authorized to use the testimony, documents and other information in the control or possession of the department in the furtherance of any regulatory or legal action brought as a part of the commissioner's duties.

(ii) A producer under investigation pursuant to this section, or counsel for such producer, may discover and obtain from the commissioner a copy of any notice or other information submitted by an insurer or authorized representative of the insurer pursuant to subsections (a), (b), or (d) of this section regarding the termination of the producer and the reason for such termination.

SECTION 2. Tennessee Code Annotated, Section 56-6-120, is amended by deleting the section in its entirety and by substituting instead the following:

(a) The commissioner may make investigations necessary for the proper administration of this part. For the purpose of making the investigations, the commissioner shall have inquisitorial powers and shall be empowered to subpoena witnesses and examine them under oath; provided, however, that:

(1) Any investigatory action shall be reasonable in scope and relevant to administration of this part; and

(2) All testimony, documents and other evidence obtained by the commissioner pursuant to this part shall be absolutely privileged and shall not be admissible as evidence in any private civil proceeding.

(b)(1) Upon issuance by the commissioner of an order initiating an investigation or upon receipt by the department of a complaint against a producer or insurer, the department shall provide the insurer or producer a copy of the order or complaint within fifteen (15) days of issuance of the order or receipt of the complaint.

(2) If the department initiates its own investigation pursuant to this section, then before seeking a statement or records from the insurer or producer under investigation, the department shall provide the insurer or producer notice of the investigation and all charges brought against that insurer or producer.

(c) Upon receiving notice, the insurer or producer under investigation may obtain a copy of the order, complaint or other notice regarding the charges being investigated; a transcript of any testimony submitted by any officer or employee of the insurer or the producer; and a list of the names and addresses of all persons from whom testimony has been taken during the investigation.

(d) Prior to commencement of a contested case hearing, an insurer or producer under investigation shall have the right to petition the chancery court of Davidson County to modify, quash, or take any other appropriate action relative to a subpoena issued by the commissioner.

(e) Upon completion of the investigation and closure of the file, the commissioner shall provide the insurer or producer that was the subject of the investigation notice of the closure or completion of the investigation within fifteen (15) days of such closure or completion.

(f) All investigations shall be completed within two (2) years of:

(1) The receipt of the initial complaint;

(2) The initiation of an investigation, if the department initiates its own investigation; or

(3) The effective date of this act, if the investigation was commenced prior to the effective date of this act.

SECTION 3. Tennessee Code Annotated, Section 56-8-107(c), is amended by adding the following language at the end of the first sentence of the subsection:

; provided, however, that the privilege shall not be applied against an insurer or producer under investigation. Such insurer or producer may obtain a copy of any order, complaint, or other notice regarding any charges brought against the insurer or producer and a copy of any statements made by the producer or any officer or employee of the insurer under investigation provided such documentation or statements relate to the claim or defense of the insurer or producer.

SECTION 4. Tennessee Code Annotated, Section 56-8-107, is amended by adding the following language as a new subsection (d):

(d) Any investigation or examination conducted by the commissioner shall be reasonable in scope and relevant to administration of this chapter. Prior to commencement of a contested case hearing, a producer or insurer under investigation shall have the right to petition the chancery court of Davidson County to modify, quash, or take any other appropriate action relative to a subpoena issued by the commissioner.

SECTION 5. For purposes of promulgating rules, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes this act shall take effect January 1, 2010.

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On motion, Amendment No. 1 was adopted.

On motion of Senator Ketron, Amendment No. 2 was withdrawn.

On motion of Senator Ketron, Amendment No. 3 was withdrawn.

Senator Ketron moved that **House Bill No. 381**, as amended, be placed on the last Calendar, which motion prevailed.

Senate Joint Resolution No. 1182 -- Memorials, Heroism -- Bobby Qualls.

Senate Joint Resolution No. 1182 was adopted by the following vote:

Ayes	33
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

Senate Joint Resolution No. 1183 -- Memorials, Heroism -- Steven Michael Zywicki, Sr.

Senate Joint Resolution No. 1183 was adopted by the following vote:

Ayes	33
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

Senate Bill No. 3198 -- Campaigns and Campaign Finance -- As introduced, prohibits foreign corporations from using funds to aid either in the election or defeat of any candidate for office. Amends TCA Title 2, Chapter 10 and Title 2, Chapter 19.

On motion, Senate Bill No. 3198 was made to conform with **House Bill No. 3182**.

On motion, House Bill No. 3182, on same subject, was substituted for Senate Bill No. 3198.

On motion of Senator Kelsey, Amendment No. 1 was withdrawn.

On motion of Senator Ketron, Amendment No. 2 was withdrawn.

Senator Ketron moved to amend as follows:

AMENDMENT NO. 3

AMEND by adding the following language as a new subsection (b) in the amendatory language of Section 3 and redesignating the existing subsection (b) as subsection (c):

(b) The prohibition of subsection (a) does not apply to a contribution made by a national committee of a political party as defined in 2 U.S.C. § 431(14) and (16), which has incorporated in accordance with 11 C.F.R. § 114.12(a), when such committee contributes to a state political party executive committee, established by Chapter 13, Part 1, of this title, if the funds contributed do not contain any corporate contributions to the national committee of the political party.

On motion, Amendment No. 3 was adopted.

Senator Ketron moved to amend as follows:

AMENDMENT NO. 4

AMEND by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION _____. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

On motion, Amendment No. 4 was adopted.

Senator Finney moved to amend as follows:

AMENDMENT NO. 5

AMEND by deleting the language "which is not made with the cooperation" in the amendatory language of Section 4 and substituting instead the language "which funds, monies or credits are not used with the cooperation".

On motion, Amendment No. 5 was adopted.

Thereupon, **House Bill No. 3182**, as amended, passed its third and final consideration by the following vote:

Ayes	31
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--31.

A motion to reconsider was tabled.

MOTION

Senator Kyle moved that Rule 19 be suspended for the purpose of considering **Senate Bill No. 231** next, out of order, which motion prevailed.

Senate Bill No. 231 -- Taxes, Excise -- As introduced, increases franchise and excise tax credit for financial institutions donating to the Tennessee rural development opportunity fund from 10 percent of contribution to 12 percent of contribution. Amends TCA Title 4; Title 5; Title 6; Title 7; Title 8; Title 9; Title 12; Title 16; Title 30; Title 36; Title 39; Title 40; Title 45; Title 47; Title 48; Title 55; Title 56; Title 57; Title 61; Title 62; Title 63; Title 67; Title 68; Title 69; Title 70 and Title 71.

On motion of Senator McNally, Amendment No. 1 was withdrawn.

Senator Kyle moved that Amendment No. 2 be placed at the heel of the Amendments, which motion prevailed.

Senator McNally moved to amend as follows:

AMENDMENT NO. 3

AMEND by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following language as a new section:

Section 67-6-396.

(a) For purposes of this section:

(1) "Claimant" means any natural person receiving disaster assistance through the Federal Emergency Management Agency (FEMA) as a result of a disaster occurring between May 1, 2010 and May 8, 2010;

(2) "Major appliance" means any water heater, dishwasher, washer, dryer, refrigerator, freezer, stove, range, oven, cooktop, microwave, vacuum, or fan that is used in the claimant's primary residence to replace an appliance that was damaged or destroyed in a disaster occurring between May 1, 2010 and May 8, 2010; provided, that the sales price per item is three thousand two hundred dollars (\$3,200) or less;

(3) "Residential building supplies" means any of the following items if used in the claimant's primary residence and reasonably determined by the department to be for purposes of restoration, repair, replacement, or rebuilding due to a disaster occurring between May 1, 2010 and May 8, 2010; provided, that the sales price per item is five hundred dollars (\$500) or less:

(A) Cleaning and disinfecting materials as determined by the department;

(B) Trash bags, boxes, construction tools, and hardware as determined by the department;

(C) Sheetrock, drywall, insulation, paint and paint materials, flooring, and other necessary building materials as determined by the department;

(4) "Residential furniture" means furniture commonly used in a residential dwelling as determined by the department that is used in the claimant's primary residence to replace furniture that was damaged or destroyed in a disaster occurring between May 1, 2010, and May 8, 2010; provided, that the sales price per item is three thousand two hundred dollars (\$3,200) or less.

(b)(1) Except as otherwise provided in this section, a claimant shall be entitled to a refund equal to the total amount of Tennessee state and local sales and use tax paid by the claimant to one (1) or more retailers as a result of the claimant's purchases of major appliances, residential furniture, or residential building supplies from such retailers, provided, that such purchases occur between 12:01 a.m. on May 1, 2010, and 11:59 p.m. on September 30, 2010.

(2) The total amount refunded under this section in connection with any one (1) residence shall not exceed two thousand five hundred dollars (\$2,500).

(c) To receive a refund under this section, a claimant shall file a single application with the department on or before November 30, 2010, that shall include the aggregate amount requested by the claimant in connection with all eligible purchases described in subsection (b). Only one (1) application per residence shall be allowed. Notwithstanding any provision of § 67-1-1802, such refund shall be made by the department directly to the claimant and shall not be made by the retailer to the claimant. All applications for refund shall be submitted as prescribed by the department and shall include satisfactory proof of receipt of Federal disaster assistance, eligible purchases, and Tennessee taxes paid on such purchases, and any other information or documentation that the department may require, including, but not limited to, store receipts and copies of payment documents such as checks, credit card receipts, or a sworn statement under penalty of perjury to support any purchases made using cash. The department shall develop guidelines concerning the administration of this section, which shall be posted on the Web site of the department. The commissioner is granted broad discretion to administer the refund process in a manner that the commissioner deems necessary to quickly, efficiently, and accurately carry out the purposes of this section.

(d) The department may assess a civil penalty not to exceed twenty-five thousand dollars (\$25,000) against any person that knowingly files a false or fraudulent application for refund under this section. Any claimant that is assessed a penalty under this subsection (d) shall be entitled to the remedies provided in § 67-1-1801.

(e) It is the intent of the general assembly to appropriate a sum sufficient for the purpose of this section from the reserve for revenue fluctuations in the General Appropriations Act. All refunds under this section shall be paid from the state's general fund and nothing in this section shall be construed to reduce the amount of sales and use tax payable to local governments.

(f) This section is repealed July 1, 2011.

SECTION 2. There is created a study committee to examine and make recommendations regarding fiscal policy on the issue of natural disasters. The members of the study committee shall be appointed by the chairs of the Finance, Ways and Means Committees of the Senate and the House of Representatives. The study committee shall only meet during session of the general assembly, and shall timely report its findings and recommendations to the general assembly by April 1, 2011, at which time the committee shall cease to exist.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

On motion, Amendment No. 3 was adopted.

Senator McNally moved to amend as follows:

AMENDMENT NO. 4

AMEND by adding the following language as new, appropriately designated sections to the bill as amended by re-designating the existing sections accordingly:

SECTION __. Tennessee Code Annotated, Subsection 68-221-1004(e), is amended by deleting the words "funds from the American Recovery and Reinvestment Act of 2009" and substituting instead, "federal funds allocated to the state".

SECTION __. Tennessee Code Annotated, Subsection 68-221-1005(l), is amended by deleting the words "funds from the American Recovery and Reinvestment Act of 2009" and substituting instead, "federal funds allocated to the state".

SECTION __. Tennessee Code Annotated, Subsection 68-221-1204(e), is amended by deleting the words "funds from the American Recovery and Reinvestment Act of 2009" and substituting instead, "federal funds allocated to the state".

SECTION __. Tennessee Code Annotated, Subsection 68-221-1205(l), is amended by deleting the words "funds from the American Recovery and Reinvestment Act of 2009" and substituting instead, "federal funds allocated to the state".

On motion, Amendment No. 4 was adopted.

Senator Kyle moved to amend as follows:

AMENDMENT NO. 2

AMEND by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

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SECTION _____. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

Pursuant to Rule 39(3), Amendment No. 2 was adopted by the following vote:

Ayes	32
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--32.

Thereupon, **Senate Bill No. 231**, as amended, passed its third and final consideration by the following vote:

Ayes	33
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

MOTION

Senator Kyle moved that Rule 19 be suspended for the purpose of considering **Senate Bill No. 3901** next, out of order, which motion prevailed.

CALENDAR NO. 2

Senate Bill No. 3901 -- Taxes -- As introduced, modifies various tax provisions concerning video programming services, telecommunications services, sales of property for use in business of selling, and determination of net earnings for real estate investment trusts. Amends TCA Title 7; Title 55; Title 56; Title 67 and Title 71, Chapter 602 of the Public Acts of 2007; and Chapter 530 of the Public Acts of 2009.

Senator Norris declared Rule 13 on **Senate Bill No. 3901**.

Senator Kyle moved that Amendment No. 1 be placed at the heel of the Amendments, which motion prevailed.

Senator Kyle moved that Amendment No. 2 be placed at the heel of the Amendments, which motion prevailed.

Senator Kyle moved that Amendment No. 3 be placed at the heel of the Amendments, which motion prevailed.

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Senator Kyle moved that Amendment No. 4 be placed at the heel of the Amendments, which motion prevailed.

Senator Kyle moved that Amendment No. 5 be placed at the heel of the Amendments, which motion prevailed.

Senator Kyle moved that Amendment No. 6 be placed at the heel of the Amendments, which motion prevailed.

Senator Kyle moved that Amendment No. 7 be placed at the heel of the Amendments, which motion prevailed.

Senator Kyle moved that Amendment No. 8 be placed at the heel of the Amendments, which motion prevailed.

Senator Kyle moved that Amendment No. 9 be placed at the heel of the Amendments, which motion prevailed.

Senator Kyle moved that Amendment No. 10 be placed at the heel of the Amendments, which motion prevailed.

MOTION

Senator McNally moved that Rule 83(8) be suspended for the purpose of placing **Senate Bills Nos. 1997, 2409 and 2655** on the calendar for the Committee on Finance, Ways and Means for Friday, June 4, 2010, which motion prevailed.

RECESS

Senator Kyle moved the Senate stand in recess for the purpose of allowing Mr. David Gerregano from the Department of Revenue to address the Senate, which motion prevailed.

CALL TO ORDER

The Senate was called to order by Mr. Speaker Ramsey.

ROLL CALL

The Speaker declared that a quorum was present.

On motion, the roll call was dispensed with.

MOTION

Senator Kyle moved that **Senate Bill No. 3901** be rereferred to the Committee on Finance, Ways and Means, which motion prevailed.

MOTION

Senator Norris moved that Rule 83(8) be suspended for the purpose of placing **Senate Bill No. 3901** on the calendar for the Committee on Finance, Ways and Means for Thursday, June 3,

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2010; furthermore, if **Senate Bill No. 3901** is recommended by the committee, it shall be placed on Regular Calendar No. 2 for Thursday, June 3, 2010, which motion prevailed.

RECESS

Senator Norris moved the Senate stand in recess until 8:30 p.m., which motion prevailed.

CALL TO ORDER

The Senate was called to order by Mr. Speaker Ramsey.

ROLL CALL

The Speaker declared that a quorum was present.

On motion, the roll call was dispensed with.

STANDING COMMITTEE REPORT

FINANCE, WAYS AND MEANS

MR. SPEAKER: Your Committee on Finance, Ways and Means begs leave to report that we have carefully considered and recommend for passage: Senate Bill No. 3901 with amendment.

MCNALLY, Chairperson
June 3, 2010

The Speaker announced that he had referred Senate Bill No. 3901 with amendment to the Committee on Calendar.

REPORT OF COMMITTEE ON CALENDAR # 3

MR. SPEAKER: Your Committee on Calendar begs leave to report that we have met and set the following bills on the calendar for Wednesday, June 2, 2010: Senate Bills Nos. 401, 673, 844, 1653, 2041, 2407, 2658, 2684, 3092, 3125, 3268, 3271, 3354, 3427, 3480, 3502, 3551, 3650, 3665, 3667, 3668, 3673, 3847, 3916, 2474, 3234 and 3875; and House Joint Resolutions Nos. 472 and 917.

This the 2nd day of June, 2010.
MIKE FAULK, Chairperson.

MOTION

Senator Faulk moved that Rule 19 and Rule 37 be suspended for the purpose of considering Calendar No. 3 next, which motion prevailed.

MOTION

Senator Gresham moved that Rule 19 be suspended for the purpose of considering Senate Bill No. 3234 next, out of order, which motion prevailed.

CALENDAR NO. 3

Senate Bill No. 3234 -- Treasurer, State -- As introduced, requires the Department of the Treasury to develop and administer a financial literacy program. Amends TCA Title 49.

On motion, Senate Bill No. 3234 was made to conform with **House Bill No. 3334**.

On motion, House Bill No. 3334, on same subject, was substituted for Senate Bill No. 3234.

On motion of Senator Ketron, Amendment No. 1 was withdrawn.

On motion of Senator McNally, Amendment No. 2 was withdrawn.

Thereupon, **House Bill No. 3334** passed its third and final consideration by the following vote:

Ayes	33
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

Senate Bill No. 401 -- Highways, Roads and Bridges -- As introduced, increases time for filing inventory of county highway machinery, equipment, tools, supplies, and materials from 60 to 75 days from date chief administrative officer takes office. Amends TCA Title 54.

On motion, Senate Bill No. 401 was made to conform with **House Bill No. 1338**.

On motion, House Bill No. 1338, on same subject, was substituted for Senate Bill No. 401.

Senator Tracy moved to amend as follows:

AMENDMENT NO. 1

AMEND by adding the following language to precede the enacting clause:

WHEREAS, Chapter 35 of the Public Acts of 2005 designated State Route 840 in its entirety, from its intersection with Interstate Highway 40 West in Dickson County to its intersection with Interstate Highway 40 East in Wilson County, including segments of such highway still under construction, as the "Tennessee National Guard Parkway" as a lasting tribute to the brave men and women who helped establish the time-honored tradition of Tennessee volunteerism, as well as those who continue this proud tradition today, as members of the Tennessee National Guard; and

WHEREAS, in keeping with the spirit of such act, the General Assembly finds it imperative to limit future designations on State Route 840 to honor the memory of those courageous members of the Tennessee National Guard who made the ultimate sacrifice of their lives while engaged in active duty; and

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WHEREAS, Chief Warrant Officer 2 Billie Jean Grinder, of Gallatin, gave her life in service to her country on February 21, 2010, in Qayyarah, Iraq, as pilot of an OH-58D Kiowa Warrior helicopter as a result of a hard landing. Also killed was her co-pilot, Captain Marcus R. Alford; and

WHEREAS, CW2 Grinder was the first female casualty of the Tennessee Army National Guard, as confirmed by the Department of Defense; and

WHEREAS, Captain Marcus Ray Alford gave his life in service to his country on February 21, 2010, in Qayyarah, Iraq, as co-pilot of an OH-58D Kiowa Warrior helicopter as a result of a hard landing. Also killed was his co-pilot, Chief Warrant Officer 2 Billie Jean Grinder; and

WHEREAS, Staff Sergeant Michael Wayne Tinsley, Sr., gave his life in service to his country on February 10, 2010, at Camp Shelby, in Hattiesburg, MS, awaiting deployment to Iraq along with his son, Michael W. Tinsley, Jr., now, therefore,

AND FURTHER AMEND by deleting all language after the enacting clause and by substituting instead the following language:

SECTION 1. Notwithstanding any provision of law to the contrary, it is the intent of this General Assembly to name an appropriate interchange, bridge or bridges on State Route 840 (Tennessee National Guard Parkway) to honor the memory of Chief Warrant Officer 2 Billie Jean Grinder, Troop C 1/230th Air Cavalry, Tennessee Army National Guard, a valiant soldier who gave her life in the line of duty while serving in Iraq.

SECTION 2. To effectuate the purposes of this act, the Department of Transportation shall identify an appropriate interchange, bridge or bridges on State Route 840 to bear Chief Warrant Officer 2 Billie Jean Grinder's honorable name. The final decision in selecting the appropriate interchange, bridge or bridges shall be made in consultation with the representative and senator representing the district in which CW2 Grinder resided.

SECTION 3. The Department of Transportation shall erect suitable signs or affix suitable markers designating the selected interchange, bridge or bridges as the "CW2 Billie Jean Grinder Memorial Bridge (or Interchange)". The cost of such signage shall be funded in accordance with Tennessee Code Annotated, § 54-1-133.

SECTION 4. Notwithstanding any provision of law to the contrary, it is the intent of this General Assembly to name an appropriate interchange, bridge or bridges on State Route 840 (Tennessee National Guard Parkway) to honor the memory of Sergeant David Clay Prescott, Jr., 2/278th Armored Cavalry Regiment, Tennessee Army National Guard, a valiant soldier from Murfreesboro who lost his life while serving his country.

SECTION 5. To effectuate the purposes of this act, the Department of Transportation shall identify an appropriate interchange, bridge or bridges on State Route 840 to bear Sergeant David Clay Prescott, Jr.'s honorable name. The final decision in selecting the appropriate interchange, bridge or bridges shall be made in consultation with the representative and senator representing the district in which Sergeant Prescott resided.

SECTION 6. The Department of Transportation shall erect suitable signs or affix suitable markers designating the selected interchange, bridge or bridges as the "Sergeant David Clay Prescott, Jr., Bridge (or Interchange)". The cost of such signage shall be funded in accordance with Tennessee Code Annotated, § 54-1-133.

SECTION 7. Tennessee Code Annotated, Title 54, Chapter 5, Part 1, is amended by adding the following language as a new, appropriately designated section:

§ 54-5-144.

Any segment or structure named on State Route 840, the "Tennessee National Guard Parkway" as designated by Chapter 35 of the Public Acts of 2005, shall be dedicated as a memorial to a fallen Tennessee National Guardsman.

SECTION 8. Notwithstanding any provision of law to the contrary, it is the intent of this General Assembly to name an appropriate interchange, bridge or bridges on State Route 840 (Tennessee National Guard Parkway) to honor the memory of Captain Marcus Ray Alford, Tennessee Army National Guard, a valiant soldier who gave his life in the line of duty while serving in Iraq.

SECTION 9. To effectuate the purposes of this act, the Department of Transportation shall identify an appropriate interchange, bridge or bridges on State Route 840 to bear Captain Marcus Ray Alford's honorable name. The final decision in selecting the appropriate interchange, bridge or bridges shall be made in consultation with the representative and senator representing the district in which Captain Alford resided.

SECTION 10. The Department of Transportation shall erect suitable signs or affix suitable markers designating the selected interchange, bridge or bridges as the "Captain Marcus Ray Alford Memorial Bridge". The cost of such signage shall be funded in accordance with Tennessee Code Annotated, § 54-1-133.

SECTION 11. Notwithstanding any provision of law to the contrary, it is the intent of this General Assembly to name an appropriate interchange, bridge or bridges on State Route 840 (Tennessee National Guard Parkway) to honor the memory of Staff Sergeant Michael Wayne Tinsley, Sr., Tennessee Army National Guard, a valiant soldier who gave his life in the line of duty while awaiting deployment to Iraq.

SECTION 12. To effectuate the purposes of this act, the Department of Transportation shall identify an appropriate interchange, bridge or bridges on State Route 840 to bear Staff Sergeant Tinsley's honorable name. The final decision in selecting the appropriate interchange, bridge or bridges shall be made in consultation with the representative and senator representing the district in which SSG Tinsley resided.

SECTION 13. The Department of Transportation shall erect suitable signs or affix suitable markers designating the selected interchange, bridge or bridges as the "Staff Sergeant Michael Wayne Tinsley, Sr., Memorial Bridge". The cost of such signage shall be funded in accordance with Tennessee Code Annotated, § 54-1-133.

SECTION 14. The erection of signs pursuant to this act shall be within the guidelines prescribed by the *Manual on Uniform Traffic Control Devices*.

SECTION 15. Sections 11-13 of this act shall become operative only if the federal highway administrator advises the Commissioner of Transportation in writing that the provisions of this act shall not render Tennessee in violation of federal laws and regulations and subject to penalties prescribed therein.

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SECTION 16. This act shall take effect upon becoming a law, the public welfare requiring it.

On motion, Amendment No. 1 was adopted.

Thereupon, **House Bill No. 1338**, as amended, passed its third and final consideration by the following vote:

Ayes	32
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--32.

A motion to reconsider was tabled.

Senator Norris moved that **Senate Bill No. 673** be placed on the Calendar for Friday, June 4, 2010, which motion prevailed.

Senate Bill No. 844 -- DUI/DWI Offenses -- As introduced, permits arrest for DUI to toll the 10 and 20 year provision between convictions for purpose of determining a multiple offender. Amends TCA Title 55, Chapter 10.

On motion, Senate Bill No. 844 was made to conform with **House Bill No. 919**.

On motion, House Bill No. 919, on same subject, was substituted for Senate Bill No. 844.

Senator Beavers moved that Amendment No. 1 be placed at the heel of the Amendments, which motion prevailed.

Senator Beavers moved that Amendment No. 2 be placed at the heel of the Amendments, which motion prevailed.

Senator McNally moved to amend as follows:

AMENDMENT NO. 3

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 55-10-403, is amended by deleting subsection (a)(3) and substituting instead the following:

(3) For purposes of this section, a person who is convicted of a violation of § 55-10-401 shall not be considered a repeat or multiple offender and subject to the penalties prescribed in subsection (a), if ten (10) or more years have elapsed between the date of the present violation and the date of any immediately preceding violation of § 55-10-401 that resulted in a conviction for such offense. If, however, the date of a person's violation of § 55-10-401 is within ten (10) years of the date of the present violation, then the person shall be considered a multiple offender and is subject to the penalties imposed upon multiple offenders by the provisions of

subsection (a). If a person is considered a multiple offender under this subdivision (a)(3), then every violation of § 55-10-401 that resulted in a conviction for such offense occurring within ten (10) years of the date of the immediately preceding violation shall be considered in determining the number of prior offenses. However, a violation occurring more than twenty (20) years from the date of the instant violation shall never be considered a prior offense for that purpose.

SECTION 2. This act shall take effect on July 1, 2010, the public welfare requiring it and shall only apply to an offender if at least one violation of § 55-10-401 occurs on or after such date.

On motion, Amendment No. 3 was adopted.

On motion of Senator Beavers, Amendment No. 1 was withdrawn.

On motion of Senator Beavers, Amendment No. 2 was withdrawn.

Thereupon, **House Bill No. 919**, as amended, passed its third and final consideration by the following vote:

Ayes	33
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

Senate Bill No. 1653 -- Sexual Offenses -- As introduced, adds offenses to the list of those for which a convicted defendant is not eligible for probation, parole, or deferral of proceedings. Amends TCA Title 36; Title 37; Title 39; Title 40; Title 49 and Title 71.

Senator McNally moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting the effective date section and substituting instead the following:

SECTION 2. This act shall take effect July 1, 2010, the public welfare requiring it.

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Bill No. 1653**, as amended, passed its third and final consideration by the following vote:

Ayes	33
Noes	0

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Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

Senate Bill No. 2041 -- Public Funds and Financing -- As introduced, requires the state funding board to report the total funds received under the federal American Recovery and Reinvestment Act of 2009 to the chairs of the House and Senate Finance, Ways and Means Committees by January 2, 2010. Amends TCA Title 4 and Title 9.

Senator McNally moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 9-13-202, is amended by deleting the existing section and substituting instead the following:

The general assembly finds and declares that it is in the best interests of the citizens of this state that local governments be fiscally responsible and utilize sound financial management principles in serving their citizens. The general assembly notes that there are certain conditions and circumstances in which local governments must have emergency technical and financial assistance if they are to better serve their citizenry or, in the case of economic distress due to natural disaster, must have the financial flexibility to stabilize their financial condition. It is the intent of this part to provide procedures whereby local governments may acquire such emergency technical and financial assistance provided and guaranteed by the state or, in the case of natural disaster, may obtain adequate financing, thus enabling such local governments to stabilize their financial condition and to meet their current operational and debt service costs.

SECTION 2. Tennessee Code Annotated, Section 9-13-203, is amended by deleting the existing subsection (4) and substituting instead the following:

(4) "Local government" means any incorporated city or town, metropolitan government, or county, including enterprise funds or such government entity, or utility district for purposes of Sections 9-13-206 and 9-13-212.

SECTION 3. Tennessee Code Annotated, Section 9-13-206, is amended by deleting the existing section and substituting instead the following:

Notwithstanding the provisions of any other law to the contrary, the legislative body of any local government is hereby authorized to issue notes which may mature beyond the close of the fiscal year in which such notes are issued, when such notes either (1) are approved by the comptroller or his designee and guaranteed by the state funding board, or (2) approved by the comptroller or his designee in the case of economic distress due to natural disaster certified by the federal emergency management agency (FEMA).

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SECTION 4. Tennessee Code Annotated, Section 9-13-210 is amended by adding the following as a new first sentence:

The comptroller shall report to the state funding board at the next meeting of the state funding board following any approval of note issuance pursuant to Section 9-13-206.

SECTION 5. Tennessee Code Annotated, Section 9-13-212, is amended by deleting the phrase "Parts 1, 4, and 6" in the second sentence and substituting instead the phrase "Parts 1, 4, 6, and 8".

SECTION 6. This act shall take effect upon becoming law, the public welfare requiring it.

On motion, Amendment No. 1 was adopted.

Senator McNally moved to amend as follows:

AMENDMENT NO. 2

AMEND by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION _____. Tennessee Code Annotated, Section 9-4-5107, is amended by adding the following as new subsection (c):

(c) For purposes of this section, the term "revenues" includes amounts allowable (without regard to any offset) to any such debt issuers from the federal government with respect to qualified bonds.

Pursuant to Rule 39(3), Amendment No. 2 was adopted by the following vote:

Ayes 33
Noes 0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--33.

Thereupon, **Senate Bill No. 2041**, as amended, passed its third and final consideration by the following vote:

Ayes 33
Noes 0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

Senator Burks moved that **Senate Bill No. 2407** be placed at the heel of Calendar No. 3 for today, which motion prevailed.

Senate Bill No. 2658 -- Correction, Dept. of -- As introduced, requires commissioner to maintain at least one dog trained to detect contraband telecommunication devices at each correctional facility. Amends TCA Title 4, Chapter 3, Part 6; Section 39-16-201 and Title 41.

Senator Ketron moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all language following the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 41, Chapter 1, Part 1, is amended by adding the following as a new section thereto:

§ 41-1-126.

(a) The Commissioner of Correction shall maintain at least one (1) dog trained to detect contraband telecommunication devices as such term is defined in § 39-16-201 in each region to be used at correctional facilities located in such region.

(b) These dogs may be used on a regular basis, or at irregular times and intervals, to survey inmates and areas inhabited or frequented by inmates in order to locate and detect contraband telecommunication devices. The dogs may also be used to check persons entering into correctional facilities or their grounds to detect the introduction of telecommunication devices.

SECTION 2. This act shall take effect July 1, 2010, the public welfare requiring it.

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Bill No. 2658**, as amended, passed its third and final consideration by the following vote:

Ayes	33
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

NOTICES

MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to return to the Senate, Senate Bill No. 274, substituted for House Bill on same subject, amended, and passed by the House.

BURNEY T. DURHAM,
Chief Clerk.

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Pursuant to Rule 63, Senator Black gave written notice to recall **Senate Bill No. 2560** from the Committee on Commerce, Labor and Agriculture.

MOTION

Senator McNally moved that **Senate Bill No. 3901** be considered next, out of order, which motion prevailed.

CALENDAR NO. 2

FURTHER ACTION ON SENATE BILL NO. 3901

Senator Kyle moved that Amendments Nos. 11 through 13 be placed at the heel of the Amendments, which motion prevailed.

Senator McNally moved to amend as follows:

AMENDMENT NO. 14

AMEND by deleting all of the language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 67-6-102(78), is amended by designating the current language as subdivision (A) and by adding the following as a new subdivision (B):

(B)(i) "Sale for resale" does not include a sale of tangible personal property or software to a dealer for use in the business of selling services. Property used in the business of selling services includes, but is not limited to, property that is regularly furnished to purchasers of the service without separate charge. A dealer that sells services shall be considered the end user and consumer of property used in selling, performing, or furnishing such services. However, "sale for resale" does include the following items in the circumstances described:

(a) Repair parts or other property sold to a dealer if such property is subsequently transferred to the customer in conjunction with the dealer's performance of repair services, regardless of whether the dealer makes a separately stated charge for such property;

(b) Installation parts or other property sold to a dealer if such property is subsequently transferred to the customer in conjunction with the installation of property that remains tangible personal property following such installation, regardless of whether the dealer makes a separately stated charge for such property;

(c) Mobile telephones and similar devices sold to a dealer if such property is subsequently transferred to the customer in conjunction with the sale of commercial mobile radio services (CMRS), regardless of whether the dealer makes a separately stated charge for such property; and

(d) Food or beverages sold to a hotel, motel, inn or other dealer that provides lodging accommodations if such food or beverages are subsequently transferred to the customer in conjunction with the dealer's sale of lodging accommodations to the customer, regardless of whether the dealer makes a separately stated charge for such property;

(ii) "Sale for resale" does not include a sale of services to a dealer for use in the business of selling, leasing, or renting tangible personal property or computer software. Services used in the business of selling, leasing, or renting tangible personal property include, but are not limited to, services such as cleaning, maintaining, or repairing property that is held as inventory for sale, lease, or rental. A dealer that sells, leases, or rents tangible personal property or computer software shall be considered the end user and consumer of services used in conducting such business.

(iii) Nothing in this subdivision (78) shall be construed as amending or otherwise effecting the exemption provided in § 67-6-392.

SECTION 2. Tennessee Code Annotated, Section 67-6-322(a), is amended by deleting the following language:

There is exempt from the provisions of this chapter any sales or use tax upon tangible personal property or taxable services

and by substituting instead the following language:

There is exempt from the provisions of this chapter any sales or use tax upon tangible personal property, computer software, or taxable services

SECTION 3. Sections 18 through 22 of Chapter 530 of the Public Acts of 2009 shall apply to transactions occurring on or after January 1, 2008.

SECTION 4. Tennessee Code Annotated, Section 7-88-106(a), is amended by inserting the following language between the second sentence and the third sentence:

For any facility that elects to qualify as a qualified public use facility and is located in any county having a population of not less than seventy-one thousand one hundred (71,100) nor more than seventy-one thousand two hundred (71,200) according to the 2000 federal census or any subsequent federal census, any revenue derived from an increase in the local sales and use tax rate occurring on or after January 1, 2009, may not be apportioned and distributed for such a qualified public use facility and instead shall be apportioned and distributed exclusively as provided in § 67-6-712(a); provided, however, that this sentence shall not apply to any increase in the local sales and use tax enacted after July 1, 2010.

SECTION 5. Tennessee Code Annotated, Section 67-4-2004, is amended by deleting subdivision (7) in its entirety and by substituting instead the following:

(7) "Captive real estate investment trust" or "captive REIT" means an entity with an election in effect under § 856(c)(1) of the Internal Revenue Code, compiled in 26 U.S.C. § 856(c)(1), in which any other entity or individual, directly or indirectly, has

at least eighty percent (80%) ownership interest by value determined in accordance with generally accepted accounting principles and whose shares are not traded on a national stock exchange;

SECTION 6. Tennessee Code Annotated, Section 67-4-2004, is amended by adding the following as a new, appropriately designated subdivision:

() "Captive REIT affiliated group" means a captive REIT and any entity in which the captive REIT, directly or indirectly, has more than fifty percent (50%) ownership interest; provided, however, that a "captive REIT affiliated group" does not include a group in which the captive REIT is owned, directly or indirectly, by a bank, a bank holding company, or a public REIT;

SECTION 7. Tennessee Code Annotated, Section 67-4-2006(e), is amended by designating the current language as subdivision (1) and by adding the following language as a new subdivision (2):

(2) For purposes of this subsection (e), "captive REIT" means an entity with an election in effect under § 856(c)(1) of the Internal Revenue Code, compiled in 26 U.S.C. § 856(c)(1), in which the financial institution, directly or indirectly, has at least eighty percent (80%) ownership interest by value determined in accordance with generally accepted accounting principles and whose shares are not traded on a national stock exchange;

SECTION 8. Tennessee Code Annotated, Section 67-4-2006(a), is amended by adding the following as a new, appropriately designated subdivision:

() In the case of a captive REIT affiliated group, "net earnings" or "net loss" is defined as the combined net earnings or net loss, as defined in subdivision (a)(1), for all members of the affiliated group, with all dividends, receipts, and expenses resulting from transactions between members of the affiliated group excluded when computing combined net earnings, and subject to the adjustments in subsections (b) and (c) on a combined basis, even if some of the members would not be subject to taxation under this part if considered apart from the affiliated group.

SECTION 9. Tennessee Code Annotated, Section 67-4-2006(b), is amended by adding the following as a new, appropriately designated subdivision:

() Any deduction by a captive REIT for dividends paid, as defined under 26 U.S.C. § 561, that is allowed and taken under 26 U.S.C. § 857(b)(2)(B); provided, however, that this subdivision shall not apply to a captive REIT that is owned, directly or indirectly, by a bank, a bank holding company, or a public REIT;

SECTION 10. Tennessee Code Annotated, Section 67-4-2007(e)(1), is amended by deleting the language "Except for unitary groups of financial institutions and business entities that have been required or permitted" and by substituting instead the language "Except for unitary groups of financial institutions, captive REIT affiliated groups, and business entities that have been required or permitted".

SECTION 11. Tennessee Code Annotated, Section 67-4-2007(e), is amended by adding the following as a new, appropriately designated subdivision:

() Persons subject to tax in this state that are members of a captive REIT affiliated group shall file a combined return and pay tax based on the apportioned combined net earnings of the entire captive REIT affiliated group, as defined in § 67-4-2006(a). The members of the group shall designate one (1) member that is subject to tax in this state to file the combined return. Each member subject to tax in this state shall be jointly and severally liable for the tax imposed by this part with regard to the affiliated group.

SECTION 12. Tennessee Code Annotated, Section 67-4-2013, is amended by adding the following as a new, appropriately designated subsection:

() The net earnings of a captive REIT affiliated group shall be apportioned to Tennessee based on property, payroll, and double weighted receipts as provided in § 67-4-2012, including the factors of those members of the affiliated group that would not be subject to taxation in this state if considered apart from the affiliated group; provided, however, that dividends, receipts, and expenses resulting from transactions between members of the affiliated group shall be excluded for purposes of apportionment under this subsection.

SECTION 13. Tennessee Code Annotated, Section 67-4-2106(b), is amended by adding the following language at the end of the subsection:

For a captive REIT affiliated group, "net worth" is defined as the difference between the total assets less the total liabilities of the affiliated group at the close of business on the last day of the tax year, as shown by a pro forma consolidated balance sheet including all members of the group. The pro forma consolidated balance sheet shall be prepared in accordance with generally accepted accounting principles wherein transactions and holdings between members of the group and holdings in non-domestic persons have been eliminated.

SECTION 14. Tennessee Code Annotated, Section 67-4-2106(c), is amended by deleting the language "Except for unitary groups of financial institutions, business entities that have been required or permitted" and by substituting instead the language "Except for unitary groups of financial institutions, captive REIT affiliated groups, and business entities that have been required or permitted".

SECTION 15. Tennessee Code Annotated, Section 67-4-2111(b)(2)(A), is amended by deleting the following language:

For a taxpayer electing to compute its net worth on a consolidated basis, the property factor is

and by substituting instead the following language:

For a taxpayer electing to compute its net worth on a consolidated basis, and for a member of a captive REIT affiliated group, the property factor is

SECTION 16. Tennessee Code Annotated, Section 67-4-2111(e)(2)(A), is amended by deleting the following language:

For a taxpayer electing to compute its net worth on a consolidated basis, the payroll factor is

and by substituting instead the following language:

For a taxpayer electing to compute its net worth on a consolidated basis, and for a member of a captive REIT affiliated group, the payroll factor is

SECTION 17. Tennessee Code Annotated, Section 67-4-2111(g)(2), is amended by deleting the following language:

For a taxpayer electing to compute its net worth on a consolidated basis, the receipts factor is

and by substituting instead the following language:

For a taxpayer electing to compute its net worth on a consolidated basis, and for a member of a captive REIT affiliated group, the receipts factor is

SECTION 18. Tennessee Code Annotated, Section 67-4-2114, is amended by adding the following as a new, appropriately designated subsection:

() Persons subject to tax in this state that are members of a captive REIT affiliated group, as defined in § 67-4-2004, shall file a combined return and pay the tax imposed by this part, after apportionment, based on all operations of the entire captive REIT affiliated group. The return required by this section shall include the information set out in subsections (a) and (b) for every member of the affiliated group, even if some of the members would not otherwise be subject to taxation under this part. The members of the group shall designate one (1) member that would otherwise be subject to tax on a separate entity basis to file the combined return. Each member subject to tax in this state shall be jointly and severally liable for the tax imposed by this part with regard to the affiliated group.

SECTION 19. Tennessee Code Annotated, Section 67-4-2006(b)(1)(N), is amended by adding the following sentence at the end of the subdivision:

This subdivision (b)(1)(N) shall not apply to "commercial and industrial tangible personal property" as defined in § 67-5-501.

SECTION 20. Tennessee Code Annotated, Section 67-4-2004(1), is amended by adding the following as a new subdivision (C):

(C) For purposes of this subdivision (1), an entity described in subdivision (1)(A)(ii) can include a natural person, and for such purposes, indirect ownership by an individual includes ownership by any family member of the individual, which means, with respect to the individual:

(i) An ancestor of the individual;

(ii) The spouse or former spouse of the individual;

(iii) A lineal descendant of the individual, of the individual's spouse or former spouse, or of a parent of the individual;

(iv) The spouse or former spouse of any lineal descendant described in subdivision (1)(C)(iii); or

(v) The estate or trust of a deceased individual who, while living, was as described in any of the subdivisions (1)(C)(i)-(iv);

SECTION 21. Tennessee Code Annotated, Section 67-1-804(b), is amended by inserting the following as a new subdivision immediately following subdivision (2) and by renumbering the remaining subdivisions accordingly:

(3) When any person fails to pay the tax required by § 67-4-2007(f), if such failure is determined by the commissioner to be due to negligence, there shall be imposed a penalty in the amount of fifty percent (50%) of the underpayment.

SECTION 22. Tennessee Code Annotated, Section 67-4-2007(f)(3), is amended by deleting the language "§ 67-1-804(b)(2)" and by substituting instead the language "§ 67-1-804(b)(3)".

SECTION 23. Tennessee Code Annotated, Section 67-4-2109(g)(5), is amended by deleting the language "The provisions of subdivisions (c)(2)(F) and (G)" and by substituting instead the language "The provisions of subdivision (b)(1)(D)".

SECTION 24. Tennessee Code Annotated, Section 67-4-2004, is amended by adding the following as two new, appropriately designated subdivisions:

() "Key tenant" means any tenant, located within a qualified medical trade center, that leases and occupies a significant portion of the facility and is determined, in the sole discretion of the Commissioner of Economic and Community Development and the Commissioner of Revenue, to be essential to the initial establishment and viability of the trade center;

() "Qualified medical trade center" means any facility, located in a county with a metropolitan form of government, that is substantially composed of permanent and temporary show rooms for medical product suppliers as well as educational space and conference facilities for medical trade shows, provided, that such facility is constructed, expanded, or remodeled through an investment of more than two hundred fifty million dollars (\$250,000,000) and contains more than one million square feet (1,000,000 sq. ft.) of space upon completion;

() "Qualified medical trade center relocation expenses" means those expenses that both the Commissioner of Revenue and the Commissioner of Economic and Community Development determine, in their sole discretion, are necessary to the creation of a permanent show room within a qualified medical trade center in conjunction with the initial establishment of such facility;

SECTION 25. Tennessee Code Annotated, Section 67-4-2109, is amended by adding the following as a new, appropriately designated subsection:

() There shall be allowed a credit against a key tenant's franchise and excise tax liability equal to any qualified medical trade center relocation expenses incurred by the key tenant; provided, however, that such credit shall not exceed an amount equal to ten dollars (\$10.00) for each square foot of space within the facility that is leased and occupied by the key tenant. To the extent that any amount allowed as a credit under this subsection (), for any tax year, exceeds the combined franchise and excise tax after the application of all available credits, the amount of such excess shall be considered an overpayment and shall be refunded to the key tenant. The refund shall be subject to the procedures of § 67-1-1802; provided, however, notwithstanding any procedure of § 67-1-1802 to the contrary, that a claim for refund shall be filed with the commissioner within three (3) years from December 31 of the year in which the qualified medical trade center relocation expenses were incurred.

SECTION 26. Tennessee Code Annotated, Section 67-4-2109, is amended by adding the following as a new, appropriately designated subsection:

()(1) For purposes of this subsection (), "qualified advertising expenses" means advertising expenses that are incurred for the purpose of co-promoting a qualified medical trade center and the State of Tennessee or the City of Nashville; provided, however, that the expenses shall not qualify under this subdivision unless both the Commissioner of Revenue and the Commissioner of Economic and Community Development determine, in their sole discretion, that the advertising and the allowance of the credit are in the best interests of this state. For purposes of this subdivision, "best interests of the state" means a determination by the Commissioner of Revenue and the Commissioner of Economic and Community Development that the advertising is a result of the credit provided in this subsection ().

(2) A credit in an amount equal to fifteen percent (15%) of any qualified advertising expenses shall be allowed against the combined franchise and excise tax liability of any taxpayer that incurs and pays such qualified expenses.

(3) In order for a taxpayer to become entitled to a credit under this subsection, the taxpayer shall submit documentation verifying that the qualified advertising expenses have been incurred and paid.

(4) The commissioner shall review the documentation and notify the taxpayer of the approved credit.

(5) Once the taxpayer has been notified of the approved credit, the taxpayer may submit a claim for the credit. To the extent that any amount allowed as a credit under this subsection, for any tax year, exceeds the combined franchise and excise tax after the application of all available credits, the amount of such excess shall be considered an overpayment and shall be refunded to the taxpayer. The refund shall be subject to the procedures of § 67-1-1802; provided, however, notwithstanding any procedure of § 67-1-1802 to the contrary, that a claim for refund shall be filed with the commissioner within three (3) years from December 31 of the year in which the qualified advertising expenses were incurred.

SECTION 27. Tennessee Code Annotated, Section 67-4-2109(b)(3), is amended by adding the following language as a new, appropriately designated subdivision:

() If determined to be in the best interests of the state, the commissioner is authorized to lower the wage and investment criteria contained in subdivision (b)(2)(B) of this subsection if the investment is made and the jobs are created within a central business district or an economic recovery zone;

SECTION 28. Tennessee Code Annotated, Section 67-4-2109(h), is amended by adding the following as a new, appropriately designated subdivision:

() If determined to be in the best interests of the state, the commissioner is authorized to lower the wage criteria contained in this subsection (h) if the jobs are created within a central business district or an economic recovery zone. If determined to be in the best interests of the state, the commissioner is further authorized to allow a relocation expense credit to any scrap metal processing facility relocating from a central business district or an area adjacent to the central business district and separated only by a waterway. Such credit shall be equal to the amount of relocation expenses incurred and paid by the facility but shall not exceed the amount of credit allowed under subdivision (3)(E) of this subsection (h) for the relocation of staff employees of a headquarters facility.

SECTION 29. Tennessee Code Annotated, Section 67-4-2109(b)(3), is amended by adding the following language as a new, appropriately designated subdivision:

() Any airline company that has established its international, national or regional headquarters in this state and has met the requirements to qualify for the credit provided in § 67-6-224 may elect to convert any available and unused job tax credit created under subdivision (b)(1) of this section and any available and unused additional annual credit created under subdivision (b)(2) of this section into a refundable credit which shall be discounted to net present value using the interest rate in effect pursuant to the provisions of § 67-1-801 on the date of such election; provided, however, that the election shall be available only if the Commissioner of Revenue and the Commissioner of Economic and Community Development determine that allowance of the election is in the best interests of the state;

SECTION 30. Tennessee Code Annotated, Section 67-4-2109(h), is amended by adding the following as a new, appropriately designated subdivision:

() Any insurance company, as defined in § 56-1-102, that otherwise meets all of the criteria contained in this subsection (h) and would be subject to the tax imposed by this part and Part 20 of this chapter if not for the exemption provided in § 67-4-2008(a)(14), shall be granted the credit provided in this subsection (h) and shall be entitled to a refund as provided in subdivision (4) of this subsection;

SECTION 31. Tennessee Code Annotated, Section 67-4-2109(k)(1), is amended by deleting the language "prior to July 1, 2012," from the first sentence of subdivision (A).

SECTION 32. Tennessee Code Annotated, Section 67-4-2109(k), is amended by deleting subdivisions (2) through (5) and by substituting instead the following:

(2) A credit in an amount equal to fifteen percent (15%) of any qualified expenses shall be allowed against the combined franchise and excise tax liability of any qualified production company that has established a headquarters facility as defined in § 67-6-224. If the qualified production company does not have a headquarters facility as defined in § 67-6-224, then any qualified investor shall be allowed a credit equal to the amount of credit to which the qualified production company would have been entitled had it established a headquarters facility as defined in § 67-6-224, multiplied by the qualified investor's percentage ownership interest in the qualified production company.

(3) In order for either a qualified production company or a qualified investor to become entitled to a credit under this subsection (k), the qualified production company shall submit documentation verifying that the qualified expenses have been incurred and paid.

(4) The commissioner shall review the documentation and notify the qualified production company of the approved credit.

(5) Once the qualified production company has been notified of the approved credit, either the qualified production company or the qualified investment company, as appropriate, may submit a claim for the credit. To the extent that any amount allowed as a credit under this subsection (k) exceeds the current and outstanding combined franchise and excise tax liability of the claimant, the amount of such excess shall be deemed an overpayment and shall be refunded to the claimant. For qualified expenses incurred and paid during any tax year, the commissioner is authorized to issue a refund as described in this subdivision (5) prior to the expiration of such tax year if the amount of the approved credit exceeds the claimant's current and outstanding franchise and excise tax liability on the date of such refund. Any refund under this subsection shall be subject to the procedures of § 67-1-1802; provided, however, notwithstanding any procedure of § 67-1-1802 to the contrary, that a claim for refund shall be filed with the commissioner within three (3) years from December 31 of the year in which the qualified expenses were incurred. In no case shall a refund for the same qualified expenses be allowed twice.

SECTION 33. Tennessee Code Annotated, Section 67-6-102(47)(H)(i), is amended by adding the word "or" at the end of subdivision (b) and by adding the following language as a new subdivision (c):

(c) An expansion to an existing warehouse or distribution facility in this state through an aggregate investment in excess of twenty million dollars (\$20,000,000) by the taxpayer, and/or a lessor to the taxpayer, over a period not exceeding three (3) years, consisting of an investment in excess of ten million dollars (\$10,000,000) in the renovation or expansion of an existing building and/or the purchase of new equipment for such a building, together with an investment in excess of ten million dollars (\$10,000,000) in the construction of a new, previously unoccupied building and/or equipment for such a building;

SECTION 34. Tennessee Code Annotated, Section 67-4-2109(m), is amended by deleting the language "the Tennessee rural opportunity fund" each place that it appears in subdivisions (1) and (2) and by substituting instead the language "the Tennessee rural opportunity fund or the Tennessee small business opportunity fund".

SECTION 35. Tennessee Code Annotated, Section 67-4-2008(a), is amended by deleting the word "and" at the end of subdivision (13) and is further amended by deleting the period at the end of subdivision (14) and substituting instead the language "; and" and is further amended by adding the following language as subdivision (15):

(15) Any qualified TNInvestco, as defined in § 4-28-102, that has received an allocation of investment tax credits under the Tennessee Small Business Investment Company Credit Act and continues to participate in the program established by such act.

SECTION 36. Tennessee Code Annotated, Section 67-4-2008(f)(5), is amended by deleting the language "(a)(13) or (a)(14)" and by substituting instead the language "(a)(13), (a)(14) or (a)(15)".

SECTION 37. Tennessee Code Annotated, Section 67-4-2109(b)(2)(B)(iii), is amended by deleting the language "An integrated supplier," and by substituting instead the language "An integrated supplier or integrated customer,".

SECTION 38. Tennessee Code Annotated, Section 67-4-2004, is amended by adding the following as a new, appropriately designated subdivision:

() "Certified green energy production facility" means a facility certified by the Department of Environment and Conservation as producing electricity for use and consumption off the premises using clean energy technology. For the purposes of this subdivision, clean energy technology means technology used to generate energy from geothermal, hydrogen, solar, and wind sources;

SECTION 39. Tennessee Code Annotated, Section 67-4-2108(a)(5), is amended by adding the following as a new, appropriately designated subdivision:

() Machinery and equipment used to produce electricity in a certified green energy production facility shall not be deemed to be property that is actually utilized by the taxpayer for purposes of this section. A copy of the facility certification issued by the Department of Environment and Conservation shall be furnished to the commissioner by the taxpayer with the franchise tax return to verify exemption.

SECTION 40. Tennessee Code Annotated, Section 67-6-346, is amended by inserting the following language between the third and fourth sentences:

The credit provided in this section shall also apply to machinery and equipment used to produce electricity in a certified green energy production facility, as defined in § 67-4-2004. A copy of the facility certification issued by the Department of Environment and Conservation shall be furnished to the commissioner by the taxpayer to establish entitlement to the credit.

SECTION 41. Tennessee Code Annotated, Section 67-5-604, is amended by adding the following as a new, appropriately designated subsection:

() The valuation applied to pollution control facilities under this section shall also apply to machinery and equipment used to produce electricity in a certified green energy production facility, as defined in § 67-4-2004. A copy of the facility certification issued by the Department of Environment and Conservation shall be required in order to qualify for such valuation.

SECTION 42. Tennessee Code Annotated, Section 67-6-103(d)(1)(E), is amended by inserting the following language as a new subdivision immediately after subdivision (ii) and by redesignating the remaining subdivision accordingly:

(iii) In addition to the distribution provided in subdivisions (d)(1)(E)(i) and (ii), if a hotel within the footprint of the convention center, as determined by the Commissioner of Revenue and the Commissioner of Economic and Community Development, undertakes a significant capital improvement program in connection with the construction of the convention center, then an amount shall also be apportioned and distributed to the entity that is responsible for the retirement of the debt on the convention center and ancillary facilities equal to the amount of state and local tax revenue derived under this chapter from the sale of lodging, parking, food, drink, and any other things or services subject to tax under this chapter, if the sales occur on the premises of the hotel. The apportionment and distribution shall begin at the time that the significant capital improvement program is substantially completed and shall continue for thirty (30) years, or until the debt on the convention center is retired, whichever is sooner. To be entitled to receive the distribution of state and local tax revenue under this subdivision (d)(1)(E)(iii), the entity responsible for the retirement of the debt on the convention center must first receive certification from the Commissioner of Revenue and the Commissioner of Economic and Community Development, with the approval of the Commissioner of Finance and Administration, that the capital improvement program is directly related to the construction of the convention center.

SECTION 43. Tennessee Code Annotated, Section 67-4-708(1), is amended by deleting subdivisions (A) and (B) in their entireties and by substituting instead the following:

(A) Food and/or beer as defined in § 57-6-102, generally destined for home preparation and consumption, except persons engaged in the business of selling delicatessens and candy at retail; and services performed by food brokers;

(B) Lumber, building materials, tools, builders' hardware, paint and glass, electrical supplies, roofing materials, farm equipment, plumbing, heating and air conditioning equipment, and other basic lines of hardware; gasoline and diesel fuel sold at wholesale; and sales of tangible personal property by persons operating service stations, except sales covered by subdivision (1)(D);

SECTION 44. Tennessee Code Annotated, Section 67-4-713(a)(3), is amended by deleting subdivision (A) in its entirety and by substituting instead the following:

(A) Personal property taxes are allowable as a credit only to the extent that the property is located at the place of business covered by the return required by this part and the property is taxed by the same city or county that levied the tax under this part;

SECTION 45. Tennessee Code Annotated, Section 67-4-714, is amended by deleting the current language in its entirety and by substituting instead the following:

§ 67-4-714.

(a) The minimum business tax payable under this part by any person subject to the tax levied in this part shall be as follows:

(1) Notwithstanding § 67-4-709(1)-(4) for taxpayers included in classifications (1)-(4) in § 67-4-708, the minimum business tax shall be twenty-two dollars (\$22.00) per annum after applying all deductions and credits set forth in §§ 67-4-711 and 67-4-713. In the case of coin-operated machines, only the principal place of business shall be subject to the minimum tax.

(2) Notwithstanding § 67-4-709(5) for taxpayers included in classification (5) in § 67-4-708, the minimum tax payable shall be four hundred fifty dollars (\$450) per annum after applying all deductions and credits set forth in §§ 67-4-711 and 67-4-713; however, under no circumstances shall the tax payable under § 67-4-709(5) be more than one thousand five hundred dollars (\$1,500) per annum after applying all deductions and credits set forth in §§ 67-4-711 and 67-4-713.

(b) A taxable entity that is incorporated, domesticated, qualified or otherwise registered to do business in this state, but is, or has become, inactive in this state, or whose charter, domestication, qualification or other registration is forfeited, revoked or suspended without the entity being properly dissolved, surrendered, withdrawn, cancelled or otherwise properly terminated, shall not be relieved from filing a return and paying the business tax, which shall be no less than the minimum tax established in subsection (a) of this section.

SECTION 46. Tennessee Code Annotated, Section 67-2-106, is hereby repealed in its entirety.

SECTION 47. Tennessee Code Annotated, Section 67-2-121, is amended by deleting the language "or any corporation failing to furnish the information required by § 67-2-106,".

SECTION 48. Tennessee Code Annotated, Section 67-8-208, is amended by deleting subsection (d) in its entirety and by substituting instead the following:

(d) The commissioner shall thereupon cause to be paid to the executor the amount of refund found to be due, together with interest thereon as provided in § 67-1-801(b).

SECTION 49. Tennessee Code Annotated, Section 67-4-409(j), is amended by adding the following as a new, appropriately designated subdivision:

() Acquisition pursuant to this subsection (j) of property classified under Title 67, Chapter 5, Part 10, shall not constitute a change in the use of the property, and no rollback taxes shall become due solely as a result of such acquisition.

SECTION 50. Tennessee Code Annotated, Section 7-39-307, is amended by deleting the following language:

Accordingly, the corporation and all properties at any time owned by it
and by substituting instead the following language:

Accordingly, the corporation and all properties at any time owned by it, except as provided in subsection (b),

SECTION 51. Tennessee Code Annotated, Section 7-39-307, is amended by designating the current language as subsection (a) and adding the following language:

(b)(1) Notwithstanding any other provision of the law to the contrary, an energy acquisition corporation, established pursuant to Title 7, Chapter 39, that acquires an ongoing concern engaged in the sale and distribution of liquefied petroleum gas (propane) may enter into agreements for payments in lieu of taxes, referred to as "tax equivalents", with any local government to which the acquired concern formerly paid ad valorem property tax.

(2) The amount of such payments shall be fixed at the amount of ad valorem taxes that would be otherwise due and payable by the business based upon the assessed value of the property that would be subject to tax if such business had not been acquired by the energy acquisition corporation. Such payments shall only be used in the same manner and for the same purposes as ad valorem taxes collected by the recipient local government.

SECTION 52. Tennessee Code Annotated, Section 67-4-2109, is amended by adding the following as a new, appropriately designated subsection:

() The Commissioner of Revenue, the Commissioner of Economic and Community Development, and the Commissioner of Finance and Administration are authorized, with the approval of the comptroller of the treasury, to jointly establish a program pursuant to which buildings, facilities, or other infrastructure may be developed utilizing a state funding mechanism and pursuant to which the value of tax credits that have been earned by the taxpayer but remain unutilized may be applied, in lieu of payments, toward the purchase or lease of such property pursuant to a contractual agreement between the taxpayer and the program. Such tax credits may include those to which the taxpayer is entitled under this section or under any other provision of this part, Part 20 of this chapter, or Chapter 6 of this title.

SECTION 53. Tennessee Code Annotated, Section 67-4-2109(a), is amended by deleting subdivision (1) in its entirety and by substituting instead the following:

(1) "Best interests of the state" includes, but is not limited to, a determination by the Commissioner of Revenue and the Commissioner of Economic and Community Development that the capital investment or jobs are a result of the credit provided in this section. In addition to its use in subsection (b), the definition in this subdivision (a)(1) shall apply to this section in its entirety unless otherwise specifically provided;

SECTION 54. Tennessee Code Annotated, Title 67, Chapter 6, Part 2, is amended by adding the following language as a new, appropriately designated section:

§ 67-6-2____.

(a) A taxpayer who engages in a qualified disaster restoration project in this state shall be eligible for a credit of all state sales or use taxes paid to

the State of Tennessee, except tax at the rate of one-half percent (0.5%), on the sales or use of qualified tangible personal property.

(b) For purposes of this section:

(1) "Qualified disaster restoration project" means a project undertaken in connection with the restoration of real or tangible personal property located within a declared federal disaster area that suffered damages as a result of that disaster, provided, that such project involves a minimum investment of fifty million dollars (\$50,000,000) or more for the restoration of such property. Such minimum investment may include, but is not limited to, the cost of constructing or refurbishing a building and the cost of building materials, labor, equipment, furniture, fixtures, computer software, and other tangible personal property within the building, but shall not include land or inventory; and

(2) "Qualified tangible personal property" means building materials, machinery, equipment, computer software, furniture and fixtures used exclusively to replace or restore real or tangible personal property that suffered damages as a result of the disaster covered by this section and purchased or leased prior to substantial completion of the qualified disaster restoration project. "Qualified tangible personal property" does not include any payments with respect to leases of qualifying tangible personal property that extend beyond substantial completion of the disaster restoration project.

(c) The taxpayer shall not be permitted to take advantage of any additional sales or use tax credits, exemptions, or reduced rates that would otherwise be available under this chapter as a result of the same purchases or minimum investment.

(d)(1) A taxpayer seeking this credit shall first submit to the commissioner an application to qualify its project as a qualified disaster restoration project, together with a plan describing the investment to be made. In the case of a leased building, the lessor shall also file an application and plan, if any taxes paid by the lessor are to be claimed as part of the credit provided in this section. The application and plan shall be submitted on forms prescribed by the commissioner and shall demonstrate that the requirements of the law will be met.

(2) After approval of the application and plan, the commissioner shall issue a letter to the taxpayer stating that the taxpayer has tentatively met the requirements for the credit provided in this section.

(3) In order to receive the credit, the taxpayer shall submit a claim for credit, along with documentation as required by the commissioner showing that Tennessee sales or use taxes have been paid to the state on qualified tangible personal property. The taxpayer's claim for credit of sales or use taxes paid to Tennessee may include such taxes paid by the taxpayer, lessor, in the case of a

leased building, contractors, and subcontractors on sales or use of qualified tangible personal property. Documentation verifying that the minimum investment requirements have been met shall include, but are not limited to, employment records, invoices, bills of lading, lease agreements, contracts, and all other pertinent records and schedules as required by the commissioner.

(4) The commissioner shall review the claim for credit and notify the taxpayer of the approved tax credit amount and provide direction for taking the credit. The taxpayer may not take the credit until the commissioner has notified the taxpayer of the amount approved and provided direction to the taxpayer on the proper methodology for taking the credit. The credit may only be taken by the taxpayer engaged in the qualified disaster recovery project.

(e) If the minimum investment requirement or other terms of this section are not met, the taxpayer shall be subject to assessment for any sales or use tax, penalty, or interest that would otherwise have been due and for which credit was taken. The statute of limitations shall not begin to run on these assessments until December 31 of the year in which the project is substantially completed.

(f) Credits under this section shall not reduce the taxes earmarked and allocated to education pursuant to § 67-6-103(c).

(g) Nothing in this section shall require that the taxpayer establish its commercial domicile in this state in order to receive the credit.

SECTION 55. Tennessee Code Annotated, Section 67-4-2109(l), is amended by adding the following as a new, appropriately designated subdivision:

() Notwithstanding § 47-14-103 or any other provision to the contrary, a community development financial institution, as described in this subdivision (l), shall be allowed to charge a rate of interest not to exceed twenty-four percent (24%) per annum.

SECTION 56. Tennessee Code Annotated, Section 67-4-2109(a)(5)(C), is amended by deleting the language "in an enhancement county" in its entirety.

SECTION 57. Tennessee Code Annotated, Section 67-6-103, is amended by adding the following as a new, appropriately designated subsection:

()(1) Notwithstanding the allocations provided for in subsection (a), if there exists a zoo or aquarium that is accredited by the Association of Zoos and Aquariums and has received and currently holds a determination of exemption from the internal revenue service under Internal Revenue Code § 501(c)(3), codified in 26 U.S.C. § 501(c)(3), then an amount shall be apportioned and distributed to the zoo or aquarium equal to the amount of state tax revenue derived under this chapter from the sale of tangible personal property or amusements on the premises of the zoo or aquarium; provided, however, that

such apportionment and distribution shall be used exclusively for the operation of the zoo or aquarium, including, but not limited to, capital projects.

(2) Notwithstanding subdivision (1) of this subsection to the contrary, no portion of the revenue derived from the increase in the rate of sales and use tax allocated to educational purposes pursuant to Acts 1992, Ch. 529, § 9, and no portion of the revenue derived from the increase in the rate of sales and use tax from six percent (6%) to seven percent (7%) contained in Acts 2002, ch. 856, § 4, shall be apportioned and distributed pursuant to this subsection. The revenue shall continue to be allocated as provided in Acts 1992, Ch. 529 and Acts 2002, Ch. 856, respectively.

SECTION 58. Tennessee Code Annotated, Section 67-5-606, is amended by inserting the following as a new subdivision (c):

(c) In the event commercial and industrial tangible personal property is destroyed, demolished or substantially damaged as a result of a disaster certified by the Federal Emergency Management Agency (FEMA), the annual assessment of such qualifying personal property in a FEMA certified county shall be prorated as otherwise provided in subsection (a), for the actual time the qualifying personal property is not replaced or restored notwithstanding that such personal property is replaced or restored by September 1, provided, the total time the qualifying personal property is not replaced or restored exceeds thirty (30) days. The owner must apply for this relief to the assessor by September 1 using a form approved by the director of the state division of property assessments. Furthermore, the owner must provide the assessor a listing of the destroyed, demolished or substantially damaged personal property for which the proration is sought. This subdivision shall be effective retroactively to January 1, 2010, but shall not take effect as to any particular county or municipality unless approved by two-thirds (2/3) vote of its governing body. This subdivision shall expire on December 31, 2010.

SECTION 59. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following language as a new section:

Section 67-6-396.

(a) For purposes of this section:

(1) "Claimant" means any natural person receiving disaster assistance through the Federal Emergency Management Agency (FEMA) as a result of a disaster occurring between May 1, 2010 and May 8, 2010;

(2) "Major appliance" means any water heater, dishwasher, washer, dryer, refrigerator, freezer, stove, range, oven, cooktop, microwave, vacuum, or fan that is used in the claimant's primary residence to replace an appliance that was damaged or destroyed in a disaster occurring between May 1, 2010 and May 8, 2010; provided, that the sales price per item is three thousand two hundred dollars (\$3,200) or less;

(3) "Residential building supplies" means any of the following items if used in the claimant's primary residence and reasonably determined by the department to be for purposes of restoration, repair, replacement, or rebuilding due to a disaster occurring between May 1, 2010 and May 8, 2010; provided, that the sales price per item is five hundred dollars (\$500) or less:

(A) Cleaning and disinfecting materials as determined by the department;

(B) Trash bags, boxes, construction tools, and hardware as determined by the department;

(C) Sheetrock, drywall, insulation, paint and paint materials, flooring, and other necessary building materials as determined by the department;

(4) "Residential furniture" means furniture commonly used in a residential dwelling as determined by the department that is used in the claimant's primary residence to replace furniture that was damaged or destroyed in a disaster occurring between May 1, 2010 and May 8, 2010; provided, that the sales price per item is three thousand two hundred dollars (\$3,200) or less.

(b)(1) Except as otherwise provided in this section, a claimant shall be entitled to a refund equal to the total amount of Tennessee state and local sales and use tax paid by the claimant to one (1) or more retailers as a result of the claimant's purchases of major appliances, residential furniture, or residential building supplies from such retailers, provided, that such purchases occur between 12:01 a.m. on May 1, 2010, and 11:59 p.m. on September 30, 2010.

(2) The total amount refunded under this section in connection with any one (1) residence shall not exceed two thousand five hundred dollars (\$2,500).

(c) To receive a refund under this section, a claimant shall file a single application with the department on or before November 30, 2010, that shall include the aggregate amount requested by the claimant in connection with all eligible purchases described in subsection (b). Only one (1) application per residence shall be allowed. Notwithstanding any provision of § 67-1-1802, such refund shall be made by the department directly to the claimant and shall not be made by the retailer to the claimant. All applications for refund shall be submitted as prescribed by the department and shall include satisfactory proof of receipt of federal disaster assistance, eligible purchases, and Tennessee taxes paid on such purchases, and any other information or documentation that the department may require, including, but not limited to, store receipts and copies of payment documents such as checks, credit card receipts, or a sworn statement under penalty of perjury to support any purchases made using cash. The department shall develop guidelines concerning the administration of this section, which shall be posted on the Web site of the

department. The commissioner is granted broad discretion to administer the refund process in a manner that the commissioner deems necessary to quickly, efficiently, and accurately carry out the purposes of this section.

(d) The department may assess a civil penalty not to exceed twenty-five thousand dollars (\$25,000) against any person that knowingly files a false or fraudulent application for refund under this section. Any claimant that is assessed a penalty under this subsection (d) shall be entitled to the remedies provided in § 67-1-1801.

(e) It is the intent of the general assembly to appropriate a sum sufficient for the purpose of this section from the reserve for revenue fluctuations in the General Appropriations Act. All refunds under this section shall be paid from the state's general fund and nothing in this section shall be construed to reduce the amount of sales and use tax payable to local governments.

(f) This section is repealed July 1, 2011.

SECTION 60. Tennessee Code Annotated, Section 7-53-303, is amended by adding the following language as a new, appropriately designated subsection:

() For purposes of calculating the "applicable formula rate" under § 47-14-103 and the related provisions of Title 47, Chapter 14, to determine the maximum effective rate applicable to bonds or other obligations designated as "recovery zone facility bonds" pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), P.L. 111-5, the language "four (4) percentage points above the average prime loan rate" in the definition of "formula rate" in § 47-14-102(7) shall be replaced with the language "seven (7) percentage points above the average prime loan rate". This subsection shall apply to any such bonds or other obligations issued by a corporation on or before June 30, 2012, and designated as recovery zone facility bonds for purposes of the American Recovery and Reinvestment Act of 2009.

SECTION 61. (a) Tennessee Code Annotated, Section 67-4-409(g)(2), is amended by deleting the language "shall be repealed on June 30, 2010" and by substituting instead the following:

shall be repealed on June 30, 2012

(b) Tennessee Code Annotated, Section 67-4-409(i)(1)(B), is amended by deleting the language "shall be repealed on June 30, 2010" and by substituting instead the following:

shall be repealed on June 30, 2012

(c) Tennessee Code Annotated, Section 67-4-409(j)(1)(B), is amended by deleting the language "shall be repealed on June 30, 2010" and by substituting instead the following:

shall be repealed on June 30, 2012

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(d) Tennessee Code Annotated, Section 67-4-409(l)(1)(B), is amended by deleting the language "shall be repealed on June 30, 2010" and by substituting instead the following:

shall be repealed on June 30, 2012

SECTION 62. Tennessee Code Annotated, Title 67, Chapter 4, Part 1, is amended by adding the following language as a new section:

Section 67-4-114. Notwithstanding any rule or law to the contrary, no tax shall be due under § 57-5-201 for any beer or ale that has been rendered unsalable and subsequently destroyed as a result of flooding occurring between May 1, 2010 and May 8, 2010. Any tax previously paid under § 57-5-201 by the wholesaler on any such beer or ale that is unsalable and destroyed as a result of such flooding occurring between May 1, 2010 and May 8, 2010, shall be allowed as a credit against the tax levied by § 57-5-201 on the subsequent purchase of beer or ale by such wholesaler. However, this section shall not apply unless such flooding resulted in the destruction of at least fifty (50) barrels, or liquid volume equivalent, of beer or ale and satisfactory proof of such destruction is submitted to the department.

SECTION 63. Tennessee Code Annotated, Section 67-4-409(g), is amended by adding the following language as a new subdivision:

(_) Notwithstanding any provision of this section to the contrary, the Commissioner of Finance and Administration, with the written approval of the executive director of the Tennessee wildlife resources agency, is authorized to transfer funds from the 1986 wetland acquisition fund to the Tennessee heritage conservation trust fund, created in Title 11, Chapter 7, Part 1. For the purposes of § 11-7-103(h), "other available sources" also shall not include any funds transferred to the Tennessee heritage conservation trust fund from the 1986 wetland acquisition fund pursuant to this subdivision.

SECTION 64. Tennessee Code Annotated, Section 67-4-409(j), is amended by adding the following language as a new subdivision:

(_) Notwithstanding any provision of this section to the contrary, the Commissioner of Finance and Administration, with the written approval of the Commissioner of Environment and Conservation, is authorized to transfer funds from the state lands acquisition fund to the Tennessee heritage conservation trust fund, created in Title 11, Chapter 7, Part 1. For the purposes of § 11-7-103(h), "other available sources" also shall not include any funds transferred to the Tennessee heritage conservation trust fund from the state lands acquisition fund pursuant to this subdivision.

SECTION 65. Tennessee Code Annotated, Section 67-4-1025, is amended by deleting subsection (d) in its entirety and by substituting instead the following language:

(d) Notwithstanding the provisions of subsections (a) and (b) to the contrary, all cigarette tax revenue generated from the increase in the tax rate from ten (10) mills to three cents (3¢) on each cigarette shall be deposited in the education trust fund created by Title 49, Chapter 3; provided, that an amount of twenty-one million

dollars (\$21,000,000) of that cigarette tax revenue shall be allocated to the Department of Agriculture's Tennessee agriculture enhancement program; provided, however, that in the fiscal year beginning July 1, 2009, the amount of sixteen million three hundred thousand dollars (\$16,300,000) or a larger amount not exceeding twenty-one million dollars (\$21,000,000) annually shall be allocated to the Tennessee agriculture enhancement program, such amount to be specified in the annual General Appropriations Act; and provided further, that in the fiscal year beginning July 1, 2010, the amount of ten million dollars (\$10,000,000) or a larger amount not exceeding twenty-one million dollars (\$21,000,000) annually shall be allocated to the Tennessee agriculture enhancement program, such amount to be specified in the annual General Appropriations Act.

SECTION 66. Sections 1 and 49 of this act shall take effect on July 1, 2010, the public welfare requiring it. Sections 5 through 18 of this act shall take effect on July 1, 2010, and shall apply to all tax years ending on or after July 1, 2010, the public welfare requiring it. Sections 33 and 54 of this act shall take effect on July 1, 2010, and shall apply to business plans filed on or after July 1, 2010, the public welfare requiring it. The remaining sections of this act shall take effect upon becoming a law, the public welfare requiring it.

On motion, Amendment No. 14 was adopted.

Senator McNally moved to amend as follows:

AMENDMENT NO. 15

AMEND by adding the following language as a new, appropriately designated section immediately preceding the last section and by renumbering the last section accordingly:

SECTION __. Tennessee Code Annotated, Section 67-4-2009, is amended by adding the following language as a new subdivision:

(10)(A) Except as otherwise provided in subdivision (10)(D), there shall be allowed against the sum total of the taxes imposed by the franchise tax law, compiled in Part 21 of this chapter, and by the excise tax law, compiled in this part, a credit equal to fifty percent (50%) of the purchase price of Brownfield property purchased in Tennessee during the tax period covered by the return for the purpose of a qualified development project.

(B) For the purposes of this subdivision (10), unless the context otherwise requires:

(i) "Brownfield property" means real property that is the subject of an investigation or remediation as a Brownfield project under a voluntary agreement or consent order pursuant to § 68-212-224;

(ii) "Capital investment" means a business investment in real property, tangible personal property or computer software owned or leased in this state valued in accordance with generally accepted accounting principles. A capital investment shall be deemed to have been made as of the date of payment or the date the taxpayer enters into a legally binding commitment or contract for purchase or construction;

(iii) "Investment period" means a period not to exceed five (5) years from the filing of the business plan related to the required capital investment, during which the required capital investment must be made;

(iv) "Non-prime agricultural property" means real property included within the United States Department of Agriculture land capability classification Classes IV, V, VI, VII and VIII; and

(v) "Qualified development project" means a project consisting of a capital investment of at least twenty-five million dollars (\$25,000,000), utilizing at least five (5) acres of Brownfield property, or non-prime agricultural property as provided in subdivision (10)(G), and having a business plan approved by the Commissioner of Revenue in accordance with the applicable provisions of subdivision (10)(E) or (10)(G).

(C) The credit allowed pursuant to this subdivision (10) shall apply against the excise tax imposed by this part and the franchise tax imposed by Part 21 of this chapter; provided, however, that such credit, together with any carry-forward thereof, taken on any franchise and excise tax return shall not exceed fifty percent (50%) of the combined franchise and excise tax liability shown by the return before any credit is taken. Any credit authorized under this subdivision that is unused may be carried forward in any tax period until the credit is taken; provided, that the credit may not be carried forward for more than fifteen (15) years.

(D) If the taxpayer makes an enhanced capital investment equal to or in excess of two hundred million dollars (\$200,000,000) during the investment period for the qualified development project, the credit allowed in subdivision (10)(A) shall be equal to seventy-five percent (75%) of the purchase price of the Brownfield property purchased in Tennessee for the purpose of the project.

(E)(i) The taxpayer shall file a business plan for the development project with the Commissioner of Revenue in order to qualify for the credit provided in subdivision (10)(A) or the enhanced credit provided in subdivision (10)(D).

(ii) For purposes of the enhanced credit, the business plan shall be filed on or before the last day of the first fiscal year in which the investment is made and shall describe the capital investment.

(iii) Qualifying plans shall be approved by the Commissioner of Revenue. At such time, an approval letter authorizing the credit, the value of the credit and the terms of the credit shall be issued. A copy of the approval letter shall be filed by the taxpayer with the Department of Revenue in any year in which the taxpayer utilizes the credit.

(iv) The Commissioner of Revenue has the authority to conduct audits or require the filing of additional information necessary to substantiate or adjust the findings contained within the business plan

and to determine that the taxpayer has complied with all statutory requirements so as to be entitled to the credit in this subdivision (10).

(F) The credit provided in this subdivision (10) shall begin to apply in the first year of the investment period as provided in the business plan; however, if the capital investment is not met during the investment period, the taxpayer shall be subject to an assessment equal to the amount of any credit taken under this subdivision (10) for which the taxpayer failed to qualify, plus interest.

(G) The aggregate amount of the credits allowed to all taxpayers under this subdivision (10) shall not exceed ten million dollars (\$10,000,000) in any one (1) tax year; provided, that in any tax year in which it is determined that credits remain available, the Commissioner of Revenue and the Commissioner of Economic and Community Development, in consultation with the Commissioner of Agriculture, may open availability to qualified development projects utilizing non-prime agricultural property. Credits for projects utilizing non-prime agricultural property shall be issued in the same manner and under the same terms as credits allowed for projects utilizing Brownfield property except that all business plans for such projects shall be approved by the Commissioner of Economic and Community Development, in addition to the Commissioner of Revenue, and in consultation with the Commissioner of Agriculture.

(H) Notwithstanding any provision of this subdivision (10) to the contrary, no credit shall be allowed unless the Commissioner of Revenue and the Commissioner of Economic and Community Development determine, in their sole discretion, that the credit is in the best interest of the state. For purposes of this subdivision, "best interest of the state" means a determination by the Commissioner of Revenue and the Commissioner of Economic and Community Development that the project is a result of the credit provided in this subdivision (10).

On motion, Amendment No. 15 was adopted.

Senator McNally moved to amend as follows:

AMENDMENT NO. 16

AMEND by deleting Section 59 in its entirety from the bill as amended.

On motion, Amendment No. 16 was adopted.

Senator McNally moved to amend as follows:

AMENDMENT NO. 17

AMEND by deleting the language of Section 63 of the bill as amended and by substituting instead the following:

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SECTION 63. Tennessee Code Annotated, Section 67-4-409(g), is amended by adding the following language as a new subdivision:

(_) Notwithstanding any provision of this section to the contrary, the Commissioner of Finance and Administration, with the written approval of the executive director of the Tennessee wildlife resources agency, is authorized, subject to legislative appropriation, to transfer funds from the 1986 wetland acquisition fund to the Tennessee heritage conservation trust fund, created in Title 11, Chapter 7, Part 1. For the purposes of § 11-7-103(h), "other available sources" also shall not include any funds transferred to the Tennessee heritage conservation trust fund from the 1986 wetland acquisition fund pursuant to this subdivision.

AND FURTHER AMEND by deleting Section 64 of the bill as amended and by substituting instead the following:

SECTION 64. Tennessee Code Annotated, Section 67-4-409(j), is amended by adding the following language as a new subdivision:

(_) Notwithstanding any provision of this section to the contrary, the Commissioner of Finance and Administration, with the written approval of the Commissioner of Environment and Conservation, is authorized, subject to legislative appropriation, to transfer funds from the state lands acquisition fund to the Tennessee heritage conservation trust fund, created in Title 11, Chapter 7, Part 1. For the purposes of § 11-7-103(h), "other available sources" also shall not include any funds transferred to the Tennessee heritage conservation trust fund from the state lands acquisition fund pursuant to this subdivision.

On motion, Amendment No. 17 was adopted.

On motion of Senator McNally, Amendment No. 1 was withdrawn.

On motion of Senator McNally, Amendment No. 2 was withdrawn.

On motion of Senator McNally, Amendment No. 3 was withdrawn.

On motion of Senator McNally, Amendment No. 6 was withdrawn.

On motion of Senator McNally, Amendment No. 7 was withdrawn.

On motion of Senator McNally, Amendment No. 8 was withdrawn.

On motion of Senator Kyle, Amendment No. 4 was withdrawn.

On motion of Senator Henry, Amendment No. 5 was withdrawn.

On motion of Senator McNally, Amendment No. 9 was withdrawn.

On motion of Senator Haynes, Amendment No. 10 was withdrawn.

On motion of Senator Kyle, Amendment No. 11 was withdrawn.

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On motion of Senator Kyle, Amendment No. 12 was withdrawn.

On motion of Senator Burchett, Amendment No. 13 was withdrawn.

Thereupon, **Senate Bill No. 3901**, as amended, passed its third and final consideration by the following vote:

Ayes	29
Noes	4

Senators voting aye were: Barnes, Berke, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Watson, Woodson, Yager and Mr. Speaker Ramsey--29.

Senators voting no were: Beavers, Black, Kelsey and Tracy--4.

A motion to reconsider was tabled.

MOTION

Senator Kyle moved that Rule 19 be suspended for the purpose of considering **Senate Bill No. 2616** next, out of order, which motion prevailed.

Senate Bill No. 2616 -- Taxes, Sales -- As enacted, reduces retail sales tax on food from 5.5 percent to 5 percent for tax year 2011 and thereafter. Amends TCA Title 3; Title 4; Title 5; Title 6; Title 7; Title 8; Title 9; Title 12; Title 16; Title 30; Title 36; Title 39; Title 40; Title 45; Title 47; Title 48; Title 49; Title 55; Title 56; Title 57; Title 61; Title 62; Title 67; Title 68; Title 69; Title 70 and Title 71.

Senator McNally moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 49-3-351(a), is amended by adding the following as a new paragraph (4) in subsection (a):

(4) In fiscal year 2010-2011 and subsequent fiscal years, the cost per square foot calculation in the capital outlay component shall be reduced by fourteen dollars (\$14.00) per square foot for K-4 classrooms and by twelve dollars (\$12.00) per square foot for other classrooms, it being the legislative intent that the state share of the BEP formula in 2010-2011 and subsequent fiscal years not include growth in capital outlay that otherwise would have occurred in fiscal year 2010-2011. The provisions of this item shall not preclude the appropriation of non-recurring funds to the Basic Education Program for distribution to local education agencies through the BEP formula.

SECTION 2. Tennessee Code Annotated, Section 49-7-120, subsection (b), is amended by adding the following new language between the words "conducted by a public higher education institution" and "shall not be open for public inspection.":

, or in the course of fulfilling a grant agreement between a public higher education institution and the Tennessee Department of Economic and Community Development,

SECTION 3. Tennessee Code Annotated, Section 4-20-301, is amended by deleting subsection (a) in its entirety and by substituting instead the following language:

(a) There is created and established a state commission to be known as the Douglas Henry State Museum Commission, referred to as "the commission" in this part, to consist of thirteen (13) voting members.

SECTION 4. Tennessee Code Annotated, Section 4-20-301, is further amended by adding the following language as new subsection (e) and by redesignating the existing subsection (e) and remaining subsections accordingly:

(e) One (1) member of the commission shall be the chair of the Senate Finance, Ways and Means Committee or the chair's designee. One (1) member of the commission shall be the chair of the House of Representatives Finance, Ways and Means Committee or the chair's designee.

SECTION 5. Tennessee Code Annotated, Section 8-25-303(a), is amended by designating the current language as subdivision "(1)" and by adding the following new language, to be designated as subdivision "(2)":

(2) Notwithstanding subdivision (1) or any other law to the contrary, for fiscal years beginning on July 1, 2010 and July 1, 2011, the state may provide for employer matching of contributions to the plan on behalf of eligible, participating state employees. The amount, if any, provided by the state for employer matching contributions shall be specifically prescribed in the General Appropriations Act each such year.

SECTION 6. If any provisions of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.

Senator Kyle moved that **Senate Bill No. 2616** be moved three places down on Calendar No. 3 for today, which motion prevailed.

CALENDAR NO. 3

Senate Bill No. 2684 -- Election Laws -- As introduced, allows eligible voter to register to vote up to five days before election if voter presents documentation that voter resides at address even if form was returned as undeliverable a second time and registration was purged; requires administrator of elections to mail registration cards. Amends TCA Section 2-2-115(b)(3); Section 2-2-124(a); Section 2-8-113(a) and Section 2-9-108.

Senator McNally moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 2-8-113(a), is amended by deleting the language "On the third Thursday after a primary election" and by substituting instead the language "On the fourth Thursday after a primary election".

SECTION 2. Tennessee Code Annotated, Section 2-9-108, is amended by deleting the first sentence in its entirety and by substituting instead the following language:

Each voting machine shall remain locked against voting for five (5) days after the certification of the election and as much longer as may be necessary or advisable because of a contest over the result of the election.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Bill No. 2684**, as amended, passed its third and final consideration by the following vote:

Ayes	33
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

Senate Bill No. 3092 -- Physicians and Surgeons -- As introduced, requires the board of medical examiners to enter into an agreement with the federal Department of Homeland Security concerning participation in the Systematic Alien Verification for Entitlements program (SAVE). Amends TCA Title 63 and Title 68.

Senator Crowe moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting the amendatory language of Section 1 in its entirety and by substituting instead the following:

(c) For purposes of enforcing federal immigration laws which relate to the licensure of foreign physicians in this state, the board of medical examiners shall enter into a written agreement, in accordance with federal and other applicable law, between the board and the United States Department of Homeland Security concerning the enforcement of federal immigration laws, which may include participation in the federal Systematic Alien Verification

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of Entitlements program, referred to as the "SAVE program", and its verification information system, operated by the United States Department of Homeland Security or a successor program designated by the United States Department of Homeland Security or any additional certifying agent within the department or approved by the department.

AND FURTHER AMEND by deleting Section 2 in its entirety and by substituting instead the following:

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Bill No. 3092**, as amended, passed its third and final consideration by the following vote:

Ayes	32
Noes	0

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--32.

A motion to reconsider was tabled.

Senate Bill No. 3125 -- Local Education Agency -- As introduced, authorizes the provision of group medical health insurance for support staff of an LEA. Amends TCA Title 8, Chapter 27, Part 3.

Senator McNally moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting amendatory subdivision (a)(1)(C) in Section 4 in its entirety and by substituting instead the following:

(C)(i) From the appropriations made each year in the General Appropriations Act for that purpose, the Department of Education is authorized to pay, on behalf of each eligible support staff employee of a local education agency, and the employee's dependents, an amount, determined annually in the General Appropriations Act, on the total cost of such person's participation in the basic insurance plan. The amount set for support staff may be different than the amount set in (a)(1)(A) of this section.

(ii) Subdivision (a)(1)(C) shall not take effect prior to January 2012. Additionally, the amount set pursuant to the authority granted in this subdivision (a)(1)(C)(i) shall be no greater than ten percent (10%) for calendar year 2012, no greater than fifteen percent (15%) for calendar year 2013, no greater than twenty percent (20%) for calendar year 2014 and no greater than twenty-five percent (25%) for 2015.

On motion, Amendment No. 1 was adopted.

Senator McNally moved to amend as follows:

AMENDMENT NO. 2

AMEND by deleting amendatory subsection (j) in Section 7 in its entirety and by substituting instead the following:

(j)(1) Beginning July 1, 1998, each local education agency shall pay on behalf of each instructional employee, as defined in Section 8-27-302(e)(2), participating in the health insurance coverage authorized by Section 8-27-302(a) or subdivision (a)(2) as a minimum the percentage specified in the General Appropriations Act of the premium collected on behalf of each employee of the local education agency.

(2)(A) Beginning January 1, 2011, each local education agency shall pay on behalf of each support staff employee, as defined in Section 8-27-302(e)(3), participating in the health insurance coverage authorized by Section 8-27-302(a) or subdivision (a)(2) as a minimum the percentage specified in the General Appropriations Act of the premium collected on behalf of each such employee of the local education agency.

(B) Subdivision (j)(2)(A) shall not take effect prior to January 2012. Additionally, the amount set pursuant to the authority granted in this subdivision (j)(2)(A) shall be no greater than ten percent (10%) for calendar year 2012, no greater than fifteen percent (15%) for calendar year 2013, no greater than twenty percent (20%) for calendar year 2014 and no greater than twenty-five percent (25%) for 2015.

(3) Distribution of a like amount to each eligible employee through a flexible spending arrangement authorized by Section 125 of the Internal Revenue Code shall satisfy the requirements of this subsection (j). Such amounts shall be certified to the Commissioner of Education and the director of each local education agency by the local education insurance committee each fiscal year.

On motion, Amendment No. 2 was adopted.

On motion of Senator Gresham, Amendment No. 3 was withdrawn.

Thereupon, **Senate Bill No. 3125**, as amended, passed its third and final consideration by the following vote:

Ayes	31
Noes	0
Present, not voting . . .	1

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Overbey, Southerland, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--31.

Senator present and not voting was: Stewart--1.

A motion to reconsider was tabled.

FURTHER ACTION ON SENATE BILL NO. 2616

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Bill No. 2616**, as amended, passed its third and final consideration by the following vote:

Ayes 31
Noes 2

Senators voting aye were: Barnes, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Watson, Woodson, Yager and Mr. Speaker Ramsey--31.

Senators voting no were: Beavers and Tracy--2.

A motion to reconsider was tabled.

MOTION

Senator Kyle moved that **Senate Bill No. 3919** be considered next out of order, which motion prevailed.

CALENDAR NO. 2

Senate Bill No. 3919 -- Appropriations -- As introduced, makes appropriations for fiscal years 2009-2010 and 2010-2011.

Senator Norris declared Rule 13 on **Senate Bill No. 3919**.

Senator McNally moved that Amendment No. 1 be placed at the heel of the Amendments, which motion prevailed.

Senator Kyle moved that Amendments Nos. 2 through 10 be placed at the heel of the Amendments, which motion prevailed.

Senator McNally moved to amend as follows:

AMENDMENT NO. 11

ADMINISTRATION AMENDMENT

DEPARTMENT OF TRANSPORTATION --

RECONCILIATION TO REVISED REVENUE ESTIMATE

AMEND in Section 1, Title III-30, of the printed bill by deleting in their entireties Items 2, 3, 4.1, 4.3, 4.4, and 4.5 and substituting in their places the following:

2. Equipment Purchases and Operations	\$ 28,653,000.00
3. Highway Maintenance	\$ 290,419,000.00

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4.1. Highway Betterments.....	\$ 9,000,000.00
4.3 State Industrial Access	20,180,000.00
4.4 Local Interstate Connectors	3,000,000.00
4.5 Capital Improvements	3,596,000.00

and by deleting the following:

Total State Construction.....	\$ 78,298,000.00
Total Title III-30	\$ 881,600,000.00

and substituting in their places:

Total State Construction.....	\$ 66,398,000.00
Total Title III-30	\$ 868,000,000.00

and in Section 4, Title III-26 of the printed bill by deleting in its entirety Item 9 and substituting in its place the following:

9. Local Interstate Connectors	3,000,000.00
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and by deleting the following:

Total Title III-26	\$ 882,182,000.00
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and by substituting in its place

Total Title III-26	\$ 881,182,000.00
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and in Section 41 of the printed bill by adding the following new item:

Item____. The fourteen (14) capital outlay projects of the Department of Transportation, listed on page A143 of the 2010-2011 Budget Document in the amount of \$5,580,000 are deleted from the list.

SUPPLEMENTAL APPROPRIATIONS

in Section 38 of the printed bill by deleting the following:

Legislature

1. House of Representatives – 2010 Extraordinary Session	\$ 148,000.00
2. State Senate – 2010 Extraordinary Session	52,000.00
Total Legislature.....	\$ 200,000.00

and in Section 38 of the printed bill by deleting the following:

Attorney General and Reporter

1. Special Litigation – Mississippi Lawsuit – Memphis Aquifer.....	\$ 2,000,000.00
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and in Section 38 of the printed bill by deleting the following:

TOTAL\$ 39,143,600.00

and substituting instead:

TOTAL\$ 36,943,600.00

and in Section 42 of the printed bill by adding the following new subsection:

(c) The provisions of this subsection (c) shall take effect upon becoming law, the public welfare requiring it. To municipalities and counties, the sum of \$100,000 hereby is appropriated to supplement the appropriation made in Public Acts of 2009, Chapter 554, Section 42(b). It is the legislative intent that such sum be divided and distributed as state shared taxes to the various municipalities and counties for deposit to their general funds, as follows: fifty percent (50%) to municipalities on the basis of population and fifty percent (50%) to counties on the basis of population.

AND FURTHER AMEND by deleting in its entirety Section 63 of the printed bill, by inserting the following in its place, and by renumbering Section 64 of the printed bill and subsequent sections of the printed bill appropriately to follow the inserted sections:

SECTION 63. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. In the year ending June 30, 2010, there hereby is appropriated the following amounts, which shall be in addition to the appropriations provided under Public Acts of 2009, Chapter 554, and in Section 38 of this act. The Commissioner of Finance and Administration is authorized to allot and transfer these appropriations to the appropriate expenditure account within each department, agency, or branch of government and to adjust federal aid and other departmental revenue accordingly.

Item 1. To the Comptroller of the Treasury, Property Tax Relief, the additional sum of \$1,000,000. There is further appropriated in fiscal year 2010-2011 the sum of \$2,300,000 for the same purpose.

Item 2. To the Department of Mental Health the additional sum of \$13,200,000 to offset undercollection of departmental revenue in the regional mental health institutes (MHI). There is further appropriated in fiscal year 2010-2011, for the same purpose, the sum of \$18,400,000 (non-recurring), which the Commissioner of Finance and Administration shall set aside in allotment reserves of the institutes and allot only to the extent that departmental revenue undercollections in the institutes require.

The allocation of these appropriations is as follows:

	<u>2009-2010</u>	<u>2010-2011</u>
Lakeshore MHI	\$2,800,000	\$3,900,000
Middle Tennessee MHI	1,700,000	2,400,000
Western MHI	1,700,000	2,400,000
Moccasin Bend MHI	2,000,000	2,800,000
Memphis MHI	<u>5,000,000</u>	<u>6,900,000</u>
Total Mental Health Institutes	<u>\$13,200,000</u>	<u>\$18,400,000</u>

Item 3. To the Miscellaneous Appropriations the sum of \$34,200 for a grant to University of Tennessee Center for Business and Economic Research for research assistance relative to the Basic Education Program (BEP) fiscal capacity and cost-differential factors. There is further appropriated in fiscal year 2010-2011 the sum of \$34,200 for the same purpose.

BASIC EDUCATION PROGRAM

SECTION 64. The appropriation in Section 1, Title III-9, Item 2.1(c), Basic Education Program (BEP), is reduced by \$26,148,000, for the following purposes:

(a) BEP Growth Fund – Reduced by \$10,248,000, which is an excess amount based on a revised, fully-funded estimate of \$27,000,000.

(b) BEP Program Improvement – Reduced by \$12,000,000 to a revised improvement estimate of \$31,000,000, which reflects revised average daily membership student estimates.

(c) BEP-TCRS Retirement Contribution Rate Increase – Reduced by \$3,900,000 to a revised estimate of \$43,700,000, based on a correction of the weighted average contribution rate of BEP-funded positions.

TENNCARE BASE RESTORED

SECTION 65. In addition to the appropriations in Section 1, Title III-26, the following non-recurring amounts are appropriated to the TennCare program in order to restore in the fiscal year beginning July 1, 2010, certain recurring reductions made in fiscal year 2009-2010 and recommended in the fiscal year 2010-2011 Budget Document and for other purposes identified in this section. The reductions restored are identified by reference to reduction items stated in Volume 2, Base Budget Reductions, of the 2009-2010 and 2010-2011 Budget Documents.

Item 1.

(a) If Senate Bill No. 3528/House Bill No. 3310, the Annual Coverage Assessment Act of 2010, becomes a law, there hereby is appropriated \$431,081,200 (non-recurring) in the fiscal year beginning July 1, 2010, to the TennCare program for the following purposes, and the Commissioner of Finance and Administration is authorized to adjust federal and other departmental revenue accordingly; provided, however, that if the federal government disallows the coverage assessment as a valid source to match federal Medicaid funds, the appropriations in this Item 1(a) shall be null and void.

<u>Reduction Number</u>	<u>Description</u>	<u>Amount</u>
(i) FY 2009-2010 Base Reductions Restored:		
8	Medically Needy Category	11,199,300
11	Long Term Care Eligibility Criteria	13,820,000
12	Essential Access Hospital Payments	34,220,000
13	Graduate Medical Education	14,663,500

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14	Meharry Medical College Grants	4,466,300
15	Critical Access Hospital Payments	3,422,000
20	Medicare Part A Reimbursement	10,425,900
21	Nursing Home Rates	19,289,700
22	MCO Administration Rate	7,592,500
23	Provider Reimbursement and Co-Pay	75,081,600
24	Dental Provider Rate	3,324,300
25	Private ICF-MR Rates	2,052,900
26	PACE Capitation Rates	<u>256,900</u>
	Subtotal	<u>199,814,900</u>

(ii) FY 2010-2011 Base Reductions Restored:

3	Non-Emergency Transportation	1,123,000
10	Hospital Reimbursement Ceiling	15,280,800
11	MAC Pricing on Pharmacy	4,839,600
14	Meharry Medical College Grants	1,466,400
16	In-Patient Services	43,908,100
17	Lab and X-Ray Procedures	17,680,900
18	Therapies	2,903,600
19	Out-Patient Services	8,350,000
20	Pharmacy Pricing – Reduce MAC Pricing	3,519,200
21	Benefit Limits – Reduced Growth	5,844,400
24	Office Visits	<u>11,197,300</u>
	Subtotal	<u>116,113,300</u>

(iii) Other Appropriations:

State Supplemental Hospital Grant	10,000,000
Disproportionate Share Hospital Payments	13,603,200
Add'l Cost-Based Reimbursement for Critical Access	6,000,000
Loss of Supplemental Pharmacy Rebates	5,549,800
Hospital Payments – Unreimbursed Costs	<u>80,000,000</u>
Subtotal	<u>115,153,000</u>
Total	<u><u>431,081,200</u></u>

(b) It is legislative intent that the appropriation for state supplemental hospital grant in Item (a)(iii) address the needs of hospitals that experience high charity-care expenses for services provided in their communities.

(c) There is further appropriated to the TennCare program, in addition to the appropriation in this item in (a)(iii), Other Appropriations, Hospital Payments – Unreimbursed Costs, a sum sufficient from any amount in excess of \$310,000,000 collected from the coverage assessment for the purpose of hospital payments for unreimbursed costs.

(d) To the extent that revenue collected from the coverage assessment is less than \$310,000,000, the appropriation in this item in (a)(iii), Other Appropriations, Hospital Payments – Unreimbursed Costs, hereby is reduced in the amount of the undercollection.

Item 2.

(a) If Senate Bill No. 3528/House Bill No. 3310, the Annual Coverage Assessment Act of 2010, does not become a law, or if the coverage assessment is disallowed by the federal government as a valid source to match federal Medicaid funds, there hereby is appropriated \$121,551,300 (non-recurring) in the fiscal year beginning July 1, 2010, to the TennCare program for the following purposes, and the Commissioner of Finance and Administration is authorized to adjust federal and other departmental revenue accordingly.

Reduction Number	Description	Amount
(i) FY 2009-2010 Base Reductions Restored:		
11	Long Term Care Eligibility Criteria (6 Months)	\$ 6,910,000
14	Meharry Medical College Grants	1,466,300
21	Nursing Home Rates	7,956,300
22	MCO Administration Rate	2,674,700
23	Provider Reimbursement and Co-Pay	26,667,900
24	Dental Provider Rate	1,371,200
25	Private ICF-MR Rates	846,700
26	Program for All-Inclusive Care for the Elderly (PACE) Capitation Rates	<u>106,000</u>
	Subtotal	\$ <u>47,999,100</u>
(ii) FY 2010-2011 Base Reductions Restored:		
3	Non-Emergency Transportation	1,123,000
6	Provider Reimbursement (7% Provider Cuts at FY11 Levels)	4,975,000
11	Maximum Allowable Cost Pricing on Pharmacy	4,839,600
14	Meharry Medical College Grants	1,466,400
16	In-Patient (Exempt Certain Transplants)	1,652,800
17	Lab and X-Ray Procedures	17,680,900
18	Therapies	2,903,600
19	Out-Patient Services	8,350,000
20	Pharmacy Pricing – Reduce Maximum Allowable Cost Pricing	3,519,200
21	Benefit Limits – Reduced Growth	5,844,400
24	Office Visits	<u>11,197,300</u>
	Subtotal	<u>63,552,200</u>
(iii) Other Appropriations:		
	State Supplemental Hospital Grant	\$ <u>10,000,000</u>
	Subtotal	\$ <u>10,000,000</u>
	Total	\$ <u>121,551,300</u>

(b) It is the legislative intent that the appropriation for state supplemental hospital grant in Item (b)(iii) address the needs of hospitals that experience high charity-care expenses for services provided in their communities.

OTHER BASE BUDGET RESTORATIONS

SECTION 66. In the year beginning July 1, 2010, in addition to the appropriations in Section 1 of this act, the following amounts are appropriated and certain non-recurring appropriations are reduced for the purpose of restoring base budget reductions that were enacted in 2009-2010 and had been recommended in the 2010-2011 Budget Document and identified, as noted herein, in Volume 2 of the Budget Documents of both years, Base Budget Reductions. The Commissioner of Finance and Administration is authorized to adjust federal aid and other departmental revenues and position authorizations accordingly. The amounts appropriated, in addition to the amounts in Section 1, and certain non-recurring appropriation reductions are:

Item 1. To the Attorney General and Reporter the sum of \$3,464,500, including \$3,000,000 recurring and \$464,500 non-recurring is appropriated. Of the 2010-2011 base reduction, this restores all of the reduction; of the 2009-2010 reduction, this restores \$1,907,800 as recurring and \$464,500 non-recurring in fiscal year 2010-2011.

Item 2. To the Comptroller of the Treasury, an additional \$1,032,600 (recurring) is appropriated and 20 positions restored, as follows, and the Commissioner of Finance and Administration shall allocate this appropriation among programs as requested by the Comptroller of the Treasury:

(a) To restore in reduction number 2, Property Assessment, for the State Board of Equalization, the sum of \$24,900 (recurring) is appropriated and one (1) vacant position restored.

(b) To restore reduction number 5, Audit Reduction, the sum of \$1,007,700 (recurring) is appropriated and 19 vacant positions restored, as follows:

	<u>Amount</u>	<u>Positions</u>
State Audit Division	\$ 659,300.....	13
County Audit Division	238,800.....	4
Municipal Audit Division.....	<u>109,600</u>	<u>2</u>
Total Audit Divisions	<u>\$1,007,700</u>	<u>19</u>

Item 3. To the Department of Environment and Conservation, Historic Site Maintenance, to restore fiscal year 2010-2011 reduction number 9, Maintenance of Historic Sites, the sum of \$214,700 (recurring) is appropriated and the non-recurring appropriation is reduced by \$214,700.

Item 4. To Bureau of TennCare, the sum of \$234,100 (recurring) to restore reduction number 13, Administrative Contracts, for the purpose of funding Tennessee Chapter of the American Academy of Pediatrics (TNAAP) grant or services, and federal aid revenue also shall be adjusted by \$234,100.

Item 5. To the Bureau of TennCare, for the Division of Intellectual Disabilities Services, the sum of \$2,100,000 (non-recurring) and federal aid of \$6,500,000 is appropriated for an estimated three-month delay in approval of the Medicaid waiver in connection with community services transitions in the base budget reduction and reallocation plans.

Item 6.

(a) To the Department of Education, Alvin C. York Institute, the sum of \$5,494,400, including \$3,200,000 (recurring) and \$2,294,400 (non-recurring) is appropriated to restore reduction number 13, Alvin C. York Institute, and 84 positions are restored.

(b) The appropriation to the Basic Education Program is reduced by \$3,200,000 (recurring) to reflect the restoration to Alvin C. York Institute.

(c) It is the legislative intent that by July 1, 2012, the budget, staffing, and local financial support of Alvin C. York Institute be adjusted to reflect fully the appropriate state and local shares of the operational costs under the Basic Education Program (BEP) formula. The Commissioner of Education, after consultation with the Commissioner of Finance and Administration, the superintendent of Fentress County schools, the Fentress County mayor, and school superintendents and mayors of other affected school systems and counties, by December 31, 2010, shall submit a financial transition plan to the Governor, the Commissioner of Finance and Administration, and the chairs of the Finance, Ways and Means Committees and the Education Committees of the Senate and House of Representatives.

Item 7. To the Department of Health, Division of General Environmental Health, for the rabies control program, a sum sufficient not to exceed \$1,000,000 to restore base reduction number 5, Rabies Tags, proposed in the 2010-2011 Budget Document, if Senate Bill No. 3850/House Bill No. 3834 or a similar bill, relative to a rabies vaccination certificate fee, does not become a law or if the bill or similar bill does become a law but provides estimated departmental revenue of less than \$1,000,000 according to the final fiscal note on the bill. The Commissioner of Finance and Administration shall reconcile the appropriation required to the fiscal note and is authorized to adjust departmental revenue accordingly.

Item 8. To the Department of Mental Health and Developmental Disabilities, for mental health recovery services, the sum of \$2,800,000 is appropriated, including \$1,584,800 recurring and \$1,215,200 non-recurring, to restore the following reductions made in fiscal year 2009-2010:

(a) Fiscal year 2009-2010 reduction number 7, Peer Support Centers, \$3,775,300, including \$1,398,000 recurring and \$2,377,300 non-recurring.

(b) Fiscal year 2009-2010 reduction number 21, Consumer Housing Specialist, \$93,400 recurring.

(c) Fiscal year 2009-2010 reduction number 23, Regional Housing Facilitators, \$93,400 recurring.

(d) The non-recurring appropriation to Community Mental Health Services is reduced by \$1,162,100, in order to reduce the base restoration in fiscal year 2010-2011 of fiscal year 2009-2010 reallocation number 10, Recovery Services – Homeless, Family Support, on page 184, Volume 2, Base Budget Reductions, 2010-2011 Budget Document, from an amount of \$2,877,100 (non-recurring) to a corrected amount of \$1,715,000 (non-recurring).

Item 9. To the Department of Mental Health and Developmental Disabilities, for Alcohol and Drug Abuse Services, the sum of \$3,000,000 is appropriated, including \$1,615,200 recurring and \$1,384,800 non-recurring, to restore the following reductions made in fiscal year 2009-2010:

(a) Fiscal year 2009-2010 reduction number 11, Priority Training Program, \$56,000 recurring.

(b) Fiscal year 2009-2010 reduction number 12, Community Training Staff and Events, \$102,000 recurring.

(c) Fiscal year 2009-2010 reduction number 20, TN-WITS Data Collection, \$100,000 recurring.

(d) Fiscal year 2009-2010 reduction number 22, Medical Detoxification, \$200,000 recurring.

(e) Fiscal year 2009-2010 reallocation number 6, Community Alcohol and Drug Abuse Services, Grants to Providers, \$2,542,000, including \$1,157,200 recurring and \$1,384,800 non-recurring.

Item 10. To the Department of Children's Services the sum of \$2,786,100 (recurring) is appropriated to restore the New Visions Youth Development Center component of fiscal year 2010-2011 reduction number 2, Closing Youth Development Center Beds, as follows:

(a) There hereby is appropriated for operation of New Visions Youth Development Center the sum of \$4,584,900 from state revenue and \$70,200 from departmental revenue, and eighty-five (85) positions are authorized to be retained.

(b) The appropriation for operation of Woodland Hills Youth Development Center hereby is reduced by \$1,798,800 from state revenue and \$70,200 from departmental revenue, and thirty-three (33) positions are deleted from the authorization.

ADDITIONS TO BUDGET

SECTION 67. In the year beginning July 1, 2010, in addition to the appropriations in Section 1 of this act, the following amounts are appropriated, and the Commissioner of Finance and Administration is authorized to adjust federal aid and other departmental revenues and position authorizations accordingly:

Item 1. For a grant to the Regional Medical Center at Memphis, the sum of \$20,000,000 (non-recurring) if no federal aid is available to match a county contribution. Provided, however, if the Commissioner of Finance and Administration determines that federal funds are available to match a county contribution to that hospital, then (i) there hereby is appropriated for capital outlay the sum of \$20,000,000 in addition to the amount in Section 1, Title III-32, Item 10, Department of Safety – Systems Development Projects, for the driver license issuance and highway patrol communications systems; (ii) the State Funding Board shall take the necessary action to cancel the unissued bonds in an amount of \$20,000,000; (iii) the appropriation in Section 1, Title III-31, Item 5, for Amortization of Authorized and Unissued 10-Year Bonds shall be reduced in the amount of \$2,600,000; (iv) the non-recurring appropriations totaling \$2,600,000 to the Department of Mental Health and Developmental Disabilities in Section 66, Items 8 and 9, of this act hereby are designated as recurring, rather than non-recurring; (v) the reserve for 2011-2012 core services as designated in Section 43, Item 2(b) is reduced by \$2,600,000; and (vi) the reserve for revenue fluctuations at June 30, 2011, as designated in Section 43, Item 1, is increased by \$5,200,000. Provided further, that if an amount less than \$20,000,000 of county contribution is matched by federal aid, the Commissioner of Finance and Administration is authorized to adjust the secondary contingency appropriations and reserves in this item accordingly.

Item 2. To the Bureau of TennCare, for planning of additional PACE programs (Program of All-Inclusive Care for the Elderly), the sum of \$1,000,000 (non-recurring).

Item 3. From the appropriation in Section 1, Title III-22, Item 22.1 for rent adjustments, the sum of \$33,000 is earmarked for rent of Department of General Services space, and other departmental revenue of the department may be adjusted accordingly.

Item 4. To the Department of Veterans Affairs for the State Veterans Cemetery at Knoxville, the sum of \$203,000, including \$176,000 recurring and \$27,000 non-recurring, and three (3) full-time positions are authorized.

Item 5. To the Department of Environment and Conservation, Clean Water and Drinking Water State Revolving Fund, the sum of \$3,700,000 (non-recurring) to match a federal aid increase of \$18,500,000.

Item 6. To the Department of Correction, State Prosecutions, or the Miscellaneous Appropriations, the sum of \$982,000 for a contract with Davidson County for the Davidson County Drug Court (DC4) residential program expenses of housing and treating non-violent felony offenders, including methamphetamine offenders from across the state and other offenders with co-occurring addiction and mental health disorders. Provided, that it is the legislative intent that the department enter a contract with Davidson County under the provisions of Tennessee Code Annotated, Section 40-35-303(k) and Section 41-8-106, relative to reimbursement for reasonable, allowable costs of housing state felons or that otherwise a grant be made and settled annually to reflect reasonable, allowable costs. Provided, further, that such reimbursement shall take into account other funds available to the Davidson County Drug Court, including the state drug-court grant, any other grants received from the state, other federal funds, and other sources.

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Item 7. To the Department of Economic and Community Development, for an economic development project, the sum of \$7,000,000 (non-recurring).

Item 8. To Tennessee State University the sum of \$1,542,700 for the university's federal land grant mission and state match allocation, as follows:

(a) TSU McMinnville Center.....	\$ 26,000
(b) TSU Institute of Agricultural and Environmental Research	103,300
(c) TSU Cooperative Education	590,000
(d) TSU McIntire-Stennis Forestry Research	104,400
(e) Tennessee State University.....	719,000
Total.....	\$ 1,542,700

Item 9. To the University of Memphis the sum of \$500,000 (non-recurring) to support start-up and development of the Memphis research consortium created by Public Acts of 2010 (Extraordinary Session), Chapter 3, Section 11.

Item 10. To the Military Department, Tennessee Emergency Management Agency, the sum of \$130,000 from state revenue and \$130,000 from federal aid for disaster emergency management operations, and four full-time positions are authorized.

Item 11. To the Department of Health, the sum of \$2,000,000 (non-recurring) for a grant to Meharry Medical College for the "Wellness for Our Community...Fitness is Our Future" program for implementation at historically black colleges and universities in Tennessee. This is year 5 of the grant.

Item 12. From the appropriation in Section 1, Title III-22, Item 22.1, for rent adjustments, the sum of \$211,000 is earmarked for rent of the Department of Health, Upper Cumberland regional office.

Item 13. To the Miscellaneous Appropriations the sum of \$20,000 (non-recurring) for a bust of the late Lt. Governor John Shelton Wilder to be obtained and placed at the direction of the Capitol Commission.

Item 14. To the Cover Tennessee Health Care Programs, for the CoverKids program, the sum of \$1,049,100 from state revenue and \$3,330,000 from federal aid, for dental benefit adjustments provided under the provisions of the 2010 federal health care reform law.

LEGISLATION

SECTION 68. Legislation. In addition to the appropriations in Sections 1 and 4 of this act, the following amounts hereby are appropriated, and such additional or lesser amounts indicated in fiscal notes on cited legislation hereby are appropriated, for the purpose of funding the costs of implementing the cited legislation. The Commissioner of Finance and Administration is authorized to allocate the appropriations to the appropriate organizational units and to adjust federal and other departmental revenues and authorized positions accordingly. The appropriation in each item of this section is subject to the bill cited in that item becoming a law, except as otherwise provided.

Item 1. The appropriation in Section 1, Title III-22, Item 24, Administration Legislation, is reduced by \$300,000, eliminating the entire appropriation.

Item 2. The appropriation in Section 1, Title III-23, Item 3, Custody Services, is reduced by \$98,800 and the remaining \$3,501,200 of the program improvement identified on page B-154 of the 2010-2011 Budget Document for County Over-Commitment to State Custody is appropriated to fund Senate Bill No. 2974/House Bill No. 3020, if the bill becomes a law, or otherwise for the purpose stated in the Budget Document.

Item 3. From the Tennessee Consolidated Retirement System the sum of \$1,800 (non-recurring) for Senate Bill No. 2886/House Bill No. 2989, relative to an interest payment for correction of a benefits error.

Item 4. To a Department of Aging the sum of \$1,900 (non-recurring) earmarked from the appropriation in Section 1, Title III-2, Item 2.2, to the Commission on Aging and Disability for Senate Bill No. 3209/House Bill No. 3529, relative to creation of a Department of Aging. There is further appropriated the sum of \$8,100 (non-recurring) to the General Assembly relative to the bill.

Item 5. To the Tennessee Student Assistance Corporation, from the deferred revenue account of the Minority Teaching Fellows Program there is appropriated the sum of \$65,500 for the sole purpose of implementing Senate Bill No. 3268/House Bill No. 3413, relative to expanding the Minority Teaching Fellows Program. It is the legislative intent that such appropriation is subject to the availability of sufficient funds in the deferred revenue account for such program.

Item 6.

(a) To a Department of Intellectual and Developmental Disabilities the sum of \$16,800, including \$6,800 recurring and \$10,000 non-recurring for Senate Bill No. 3341/House Bill No. 3526, relative to creation of a Department of Intellectual and Developmental Disabilities.

(b) If the bill cited in this item becomes a law, the appropriation in Section 1 of this act to the Department of Mental Health and Developmental Disabilities is reduced by \$3,700 recurring and a non-recurring sum of \$10,000 hereby is appropriated for the purpose of establishing a Department of Mental Health.

Item 7. To the Department of Environment and Conservation, from the departmental revenues or reserves of the Heritage conservation trust fund, the sum of \$1,800 for Senate Bill No. 3390/House Bill No. 3466, relative to the Heritage conservation trust fund, or Senate Bill No. 3880/House Bill No. 3796 provisions relative to matters in the preceding bill citation.

Item 8. To the Procurement Commission created by Senate Bill No. 3598/House Bill No. 3353 the sum of \$51,300 and one (1) full-time position is authorized in addition to appropriations and positions to be transferred from other organizational units and agencies of state government.

Item 9. To the Miscellaneous Appropriations the sum of \$25,000 for Senate Bill 3847/House Bill 3847, relative to the Tennessee Residence Commission.

Item 10. To the Department of Commerce and Insurance, Division of Regulatory Boards, from dedicated revenue of the following programs, the sums of (a) \$5,000 (non-recurring) for Senate Bill No. 3851/House Bill No. 3812, relative to locksmith registration, and (b) \$5,000 (non-recurring) for Senate Bill No. 3859/House Bill No. 3844, relative to private protective services.

Item 11. To the Miscellaneous Appropriations a sum sufficient estimated at zero dollars for any implementation costs provided in the final fiscal note on Senate Bill No. 3880/House Bill No. 3796, the Omnibus Budget Reconciliation Act relative to state finances.

Item 12. To the Department of Revenue the sum of \$38,500 (non-recurring) in addition to the amount in Section 1 of this act and identified in the 2010-2011 Budget Document, page B-13, Auditors, for the purpose of implementing Senate Bill No. 3901/House Bill No. 3787 or similar legislation, relative to taxes, technical corrections, and related matters.

Item 13. To the Department of Safety the sum of \$90,900 (recurring) and \$45,000 (non-recurring) for Senate Bill No. 3907/House Bill No. 3791, relative to commercial driver license and related matters.

Item 14. To the Department of Correction the sum of \$44,000 from court-awarded fines for Senate Bill No. 3909/House Bill No. 3784, relative to drug enforcement, education, and treatment and non-recurring enforcement expenditures.

DISASTER RECOVERY

SECTION 69. The provisions of this section shall take effect upon becoming law, the public welfare requiring it. The provisions of this section are for the purpose of and limited to providing sufficient funds for disaster recovery from the May 2010 floods and related storm damage in Tennessee, including use for public infrastructure capital outlay, operating expenses, and disaster relief in aid of local governments and other public agencies and to match federal disaster relief funds. The unexpended balances of any appropriations made in this section or transferred pursuant to this section may be carried forward at June 30, 2010, and June 30, 2011, subject to the approval of the Commissioner of Finance and Administration, and hereby are appropriated for expenditure in the fiscal year beginning July 1, 2010. The Commissioner of Finance and Administration is authorized to adjust estimates of federal aid and other departmental revenue for disaster recovery.

Item 1. From the appropriations to the Miscellaneous Appropriations for homeland security in Public Acts of 2009, Chapter 554, Section 1, Title III-22, and in this act in Section 1, Title III-22, for homeland security, the Commissioner of Finance and Administration may transfer funds to other programs and state agencies for disaster recovery and to transfer unexpended balances of such transferred funds back to the homeland security item, if he deems it appropriate.

Item 2. From the reserves for homeland security carried forward in the Miscellaneous Appropriations at June 30, 2009, and authorized to be carried forward at June 30, 2010, the Commissioner of Finance and Administration may transfer

funds to other programs and state agencies for purposes of disaster recovery and to transfer unexpended balances of such transferred funds back to the homeland security reserve, if he deems it appropriate.

Item 3. For the purposes of disaster recovery, the Commissioner of Finance and Administration is authorized to transfer appropriations between general fund programs within any state agency and, upon the request of the Commissioner of Transportation, within programs in the transportation fund, except as prohibited by law, and to adjust federal aid and other departmental revenue accordingly. Provided, however, that transfers from general fund programs shall consist only of surplus funds that otherwise would revert to the general fund balance at year-end. This item shall not constitute authority to transfer appropriations between state agencies, except as otherwise provided by this act or other law.

Item 4. In addition to the appropriations in Public Acts of 2009, Chapter 554, and in this act, there hereby is appropriated a sum sufficient for expenses of disaster recovery.

RESERVE-TAKING AUTHORITY

SECTION 70. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. It is the legislative intent to fulfill the essential function and constitutional responsibility of state government to orderly close fiscal years 2009-2010 and 2010-2011. Under the provisions of Tennessee Code Annotated, Section 4-3-1016, as amended by Senate Bill No. 3880/House Bill No. 3796, if such bill becomes a law, the Commissioner of Finance and Administration is authorized to deny carry-forwards for and to transfer funds from the enumerated funds, reserve accounts, or programs to the state general fund for the sole purpose of meeting the requirements of funding state government for the fiscal years ending June 30, 2010 and June 30, 2011, and for that purpose such funds hereby are appropriated to the general fund. Such transfers and carry-forward denials shall be according to the following schedule, to the extent funds are available in the reserves and considering the interests of the programs, as determined by the Commissioner of Finance and Administration:

Item 1. From the reserves for unencumbered balance and capital outlay that are not permanent statutory reserves, but excluding the TennCare reserve.

Item 2. From the statutory reserves enumerated in Tennessee Code Annotated, Section 4-3-1016, as amended by Senate Bill No. 3880/House Bill No. 3796.

Item 3. From other reserves enumerated in this act and not subject to determination by the Commissioner of Finance and Administration, an amount to be determined, subject to approval of the controlling state officials.

Item 4. From the TennCare reserve.

Item 5. From the reserve for revenue fluctuations established by Tennessee Code Annotated, Section 9-4-211.

CONTINGENCY APPROPRIATIONS

SECTION 71. The provisions of this section are contingent upon determination by the Commissioner of Finance and Administration that a 2010 or 2011 U.S. public law, rule, or policy provides additional federal aid to the state through continuation of an enhanced federal medical assistance percentage (FMAP) in the Medicaid program. Before establishing the appropriations made in this section, the commissioner in writing shall notify the Speakers of the Senate and House of Representatives and the chairmen of the Finance, Ways and Means Committees of the Senate and House of Representatives, the director of the Office of Legislative Budget Analysis, and the executive director of the Fiscal Review Committee.

Contingent upon the availability of such federal aid revenue, the Commissioner of Finance and Administration is authorized to reduce the TennCare appropriation made in Section 1 of this act, to increase the estimate of federal aid to the TennCare program made in Section 4 of this act, to establish the following non-recurring appropriations, to allocate the appropriations to the appropriate organizational units and agencies, and to adjust federal aid and other departmental revenues accordingly:

Item 1. The appropriation to the TennCare program in Section 1, Title III-26, of this act is reduced by \$341,600,000 (non-recurring reduction), and in addition to the appropriation of federal aid to the TennCare program in Section 4, Title III-25, there hereby is appropriated the sum of \$341,600,000 (non-recurring) from federal aid revenue.

Item 2. To the TennCare program for grants to critical access hospitals the sum of \$10,000,000 (non-recurring) to address un-reimbursed costs of services provided. It is the legislative intent that such grants be made as soon as practical after July 1, 2010, and shall be allocated pro rata based upon the ratio of uncompensated care to total facility revenue for each critical access hospital as reported in the most recent joint annual report available prior to such distribution of such grants.

Item 3. To the Department of Economic and Community Development:

(a) For the small-business job opportunities fund and a grant to Southeast Community Capital Corporation to match approximately \$10 million to \$15 million from banks, the sum of \$10,000,000 (non-recurring) is appropriated.

(b) For economic development projects, to the FastTrack Infrastructure Development and Job Training Assistance Program and related economic development programs, the sum of \$51,000,000 (non-recurring). Notwithstanding other provisions of this section to the contrary, if the continuation of the enhanced federal medical assistance percentage (FMAP) is not available in the Medicaid program, there hereby is appropriated the sum of \$31,000,000 (non-recurring) for economic development, and in this event, the reserve for revenue fluctuations at June 30, 2011, as designated in Section 47, Item 2, is decreased by \$31,000,000.

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Item 4. To the Miscellaneous Appropriations, for a grant for the Civil Rights Museum in Memphis, the sum of \$5,000,000 (non-recurring). The grant is for the purpose of supporting the museum's capital campaign for capital improvements and to build an endowment.

Item 5. To the Department of Education, Basic Education Program (BEP), the sum of \$29,600,000 (non-recurring) for 2010-2011 capital outlay funding in the BEP calculation pursuant to the BEP non-recurring appropriation provision of Senate Bill No. 3880/House Bill No. 3796.

Item 6. To higher education programs the sum of \$50,900,000 (non-recurring) for operating budget support, such appropriation to be allocated to the units of higher education as follows:

A. State Administered Programs

1. Centers of Excellence.....	\$	738,100
2. Campus Centers of Emphasis		69,900
Subtotal State Administered Programs	\$	808,000

B. University of Tennessee System

1. UT Institute for Public Service	\$	66,800
2. UT Municipal Technical Advisory Service		69,500
3. UT County Technical Assistance Service		43,300
4. UT Access and Diversity Initiative		258,000
5. UT Space Institute		228,600
6. UT Agricultural Experiment Station		605,100
7. UT Agricultural Extension Service		677,700
8. UT Veterinary Medicine		421,200
9. UT Health Science Center		974,600
10. UT Family Medicine		244,000
11. UT College of Medicine.....		1,334,700
12. UT Chattanooga		2,366,300
13. UT Knoxville		10,024,200
14. UT Martin.....		1,724,100
Subtotal University of Tennessee System.....	\$	19,038,100

C. Tennessee Board of Regents System

1. Regents Access and Diversity Initiative	\$	456,100
2. ETSU College of Medicine		699,700
3. ETSU Family Practice.....		132,400
4. Austin Peay State University		2,000,400
5. East Tennessee State University		3,209,500
6. University of Memphis		6,053,700
7. Middle Tennessee State University.....		5,397,300
8. Tennessee State University		2,572,500
9. Tennessee Technological University.....		2,417,100
10. Southwest Tennessee Community College.....		1,167,000
11. Nashville State Community College.....		502,800
12. Pellissippi State Community College.....		669,600
13. Northeast State Community College.....		388,900
14. Chattanooga State Community College		714,500

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15. Cleveland State Community College.....	295,000
16. Columbia State Community College	408,600
17. Dyersburg State Community College	210,900
18. Jackson State Community College	382,400
19. Motlow State Community College	330,200
20. Roane State Community College.....	537,600
21. Volunteer State Community College	552,500
22. Walters State Community College	538,100
23. Tennessee Technology Centers	1,417,100
Subtotal Tennessee Board of Regents System..... \$	31,053,900
 Total Higher Education..... \$	 50,900,000

Item 7.

(a) Community College Special Capital Outlay Appropriation. The General Assembly recognizes that the Complete College Tennessee Act of 2010 (Public Chapter 3 of the Extraordinary Session of 2010) encourages increasing numbers of Tennesseans to access public higher education, particularly through the community college system. Further, the General Assembly recognizes that the capacity to serve increasing numbers of Tennesseans through the existing community college system is constrained at certain campuses. It is the intent of this item to address the most compelling of these capacity constraints through a targeted capital outlay program. There is hereby appropriated the sum of one hundred million dollars (\$100,000,000) (non-recurring) for purposes of implementing a capital outlay program to increase the capacity of Tennessee community colleges to serve Tennesseans. Notwithstanding the existing capital outlay priority list approved by the board of regents or the existing capital outlay priority list approved by the Tennessee Higher Education Commission, the board of regents is directed to develop a targeted capital outlay program that identifies, prioritizes, and funds projects that (1) build additional instructional capacity in areas that are experiencing sustained high enrollment growth; (2) build additional instructional capacity in locations where current instructional capacity has been stressed or exhausted; (3) provide for construction of academic classrooms, class labs, and other facilities needed to support academic instruction; (4) promote innovation by use of technology-based delivery systems to provide instruction to students who do not have easy access to on-ground instruction; and (5) leverage financial contributions from non-state sources to fund a substantial portion of the project cost, and such contributions from non-state sources hereby are appropriated for the capital outlay projects.

The capital outlay program developed and approved by the board of regents pursuant to this item shall be subject to the approval of the Tennessee Higher Education Commission and the State Building Commission. Consideration of this program by the Tennessee higher education commission and the State Building Commission shall be limited to whether the program addresses the criteria stated above.

(b) Notwithstanding the provisions of sub-item (a) of this item, the Commissioner of Finance and Administration is authorized to reallocate from the appropriation made in sub-item (a) a sum sufficient in amounts he determines necessary for disaster recovery from the May 2010 floods and related storm damage in Tennessee for the purposes stated in Section 69 of this act. To the extent reallocated, such sums hereby are appropriated for disaster recovery.

Item 8. To the Department of Economic and Community Development for capital outlay, the sum of \$39,500,000 for the West Tennessee Mega-Site industrial infrastructure project.

Item 9.

(a) In addition to the capital outlay appropriations in Section 1, Title III-32 of this act, there hereby is appropriated to the Wildlife Resources Agency, the sum of \$16,100,000 (non-recurring) for one state fish hatchery. This appropriation is from the general fund and is contingent on acquisition of property for the fish hatchery by the Wildlife Resources Agency.

(b) Notwithstanding the provisions of sub-item (a) of this item, the Commissioner of Finance and Administration is authorized to reallocate from the appropriation made in sub-item (a) a sum sufficient in amounts he determines necessary for disaster recovery from the May 2010 floods and related storm damage in Tennessee for the purposes stated in Section 69 of this act. To the extent reallocated, such sums hereby are appropriated for disaster recovery.

Item 10.

(a) To the Department of Safety, for the driver license issuance and highway patrol communications systems capital outlay projects, the sum of \$29,500,000 (non-recurring).

(b) The capital outlay contingency appropriation of \$29,500,000 made in paragraph (a) of this item for the driver license issuance and highway patrol communications systems is appropriated in lieu of issuing bonds under the provisions of Senate Bill No. 3916/House Bill No. 3925. If the capital outlay contingency appropriation is established, (i) the State Funding Board shall take the necessary action to cancel the unissued bonds; (ii) the appropriation in Section 1, Title III-31, Item 5 for Amortization of Authorized and Unissued 10-Year Bonds shall be reduced in the amount of \$3,800,000; and (iii) for the purpose of reducing the reversion requirement of the Highway Patrol by \$3,800,000, allowing approximately fifty (50) vacant Trooper positions to be filled, it is the legislative intent to recognize a reduction of \$3,800,000 in the base recurring over-appropriation in the general fund in 2010-2011 as cited in Section 43, Item 1 of this act.

2011-2012 CORE SERVICES RESERVE

AND FURTHER AMEND in Section 43 of the printed bill by adding a new sub-item (b) in Item 2 to read as follows:

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(b) It is the legislative intent that, at June 30, 2011, the Commissioner of Finance and Administration establish in the general fund a reserve for 2011-2012 appropriations, to be known as the reserve for 2011-2012 core services, in the amount of \$141,000,000. In addition to the amounts for this reserve identified in the 2010-2011 Budget Document, Volume 2, Base Budget Reductions, pages 163-186, the reserve shall provide for the following additional core services amounts:

Attorney General and Reporter.....	\$ 464,500
Education – Alvin C. York Institute	2,294,400
Mental Health – Mental Health Recovery Services	1,215,200
Mental Health – Alcohol and Drug Abuse Services.....	1,384,800
Rounding.....	<u>41,100</u>
Total Additional	\$ 5,400,000

U.S. RECOVERY ACT OF 2009 FEDERAL FUNDS

STATE FISCAL STABILIZATION FUND

AND FURTHER AMEND in Section 1, Title III-9, of the printed bill by deleting Item 2.1c in its entirety and substituting instead the following:

c. Basic Education Program \$ 3,451,459,800.00

and by deleting from Item 2.1 the following:

Subtotal State Programs \$ 3,783,459,400.00

and substituting instead the following:

Subtotal State Programs \$ 3,620,325,700.00

and by deleting from Item 2 the following:

Total Kindergarten, Elementary and Secondary \$ 3,817,454,300.00

and substituting instead the following:

Total Kindergarten, Elementary and Secondary \$ 3,654,320,600.00

and by deleting from Section 1, Title III-9, the following:

Total Title III-9 \$ 3,861,929,000.00

and substituting instead the following:

Total Title III-9 \$ 3,698,795,300.00

and in Section 4, Title III-9, of the printed bill by deleting Item 12 in its entirety and substituting instead the following:

12. Basic Education Program \$ 337,307,300.00

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and by deleting from Section 4, Title III-9, the following:

Total Title III-9	\$	1,498,373,200.00
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and by substituting instead the following:

Total Title III-9	\$	1,661,506,900.00
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and in Section 1, Title III-10, of the printed bill by deleting Items 3 and 4 in their entireties and substituting instead the following:

3.	University of Tennessee System		
3.1	Administrative and Other Services		
	a. UT University-Wide Administration	\$	4,431,300.00
	b. UT Institute for Public Service		4,844,400.00
	c. UT Municipal Technical Advisory Service		2,856,900.00
	d. UT County Technical Assistance Service		1,703,800.00
	e. UT Access and Diversity Initiative		6,131,700.00
	f. UT Space Institute.....		8,325,800.00
	g. UT Research Initiatives		10,993,700.00
	Subtotal Administrative and Other Services	\$	39,287,600.00
3.2	Agricultural Services		
	a. UT Agricultural Experiment Station.....	\$	25,494,900.00
	b. UT Agricultural Extension Service		30,715,400.00
	c. UT Veterinary Medicine		17,130,500.00
	Subtotal Agricultural Services.....	\$	73,340,800.00
3.3	Medical Education		
	a. UT Health Science Center.....	\$	74,117,200.00
	b. UT Family Medicine.....		10,425,000.00
	c. UT College of Medicine		49,835,000.00
	Subtotal Medical Education	\$	134,377,200.00
3.4	University Campuses		
	a. UT Chattanooga.....	\$	45,243,400.00
	b. UT Knoxville		198,933,800.00
	c. UT Martin		32,595,300.00
	Subtotal University Campuses	\$	276,772,500.00
	Total University of Tennessee System	\$	523,778,100.00
4.	Tennessee Board of Regents System		
4.1	Administration and Other Services		
	a. Tennessee Board of Regents.....	\$	4,761,200.00
	b. Regents Access and Diversity Initiative		10,841,500.00
	Subtotal Administration and Other Services	\$	15,602,700.00
4.2	Medical Education		
	a. ETSU College of Medicine	\$	29,547,000.00
	b. ETSU Family Practice		5,945,500.00
	Subtotal Medical Education	\$	35,492,500.00

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4.3	Regional Universities		
	a. Austin Peay State University	\$	35,415,400.00
	b. East Tennessee State University.....		62,124,600.00
	c. University of Memphis		121,896,000.00
	d. Middle Tennessee State University		98,956,500.00
	e. Tennessee State University.....		40,679,600.00
	f. Tennessee Technological University		48,634,100.00
	Subtotal Regional Universities.....	\$	407,706,200.00
4.4	Community Colleges		
	a. Southwest Tennessee Community College	\$	40,549,100.00
	b. Nashville State Community College		16,594,100.00
	c. Pellissippi State Community College		22,336,200.00
	d. Northeast State Community College		13,379,200.00
	e. Chattanooga State Community College.....		25,608,500.00
	f. Cleveland State Community College		11,024,700.00
	g. Columbia State Community College.....		14,196,600.00
	h. Dyersburg State Community College		7,733,100.00
	i. Jackson State Community College		13,290,700.00
	j. Motlow State Community College.....		11,157,400.00
	k. Roane State Community College.....		19,350,900.00
	l. Volunteer State Community College.....		19,501,600.00
	m. Walters State Community College.....		19,771,200.00
	Subtotal Community Colleges	\$	234,493,300.00
4.5	Tennessee Technology Centers.....	\$	54,494,700.00
4.6	Agricultural Centers		
	a. TSU McMinnville Center.....	\$	553,000.00
	b. TSU Institute of Agricultural and Environmental Research		2,250,900.00
	c. TSU Cooperative Education		2,512,100.00
	d. TSU McIntire-Stennis Forestry Research		67,500.00
	Subtotal Agricultural Centers.....	\$	5,383,500.00
	Total Tennessee Board of Regents System	\$	753,172,900.00

and in Section 4, Title III-10 of the printed bill by deleting Items 2 and 3 in their entireties and deleting the following:

Total Title III-10	\$	429,488,200.00
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and by substituting instead the following:

Total Title III-10	\$	266,354,500.00
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HOUSEKEEPING

NON-RECURRING GRANT NOTIFICATION

AND FURTHER AMEND by deleting in its entirety Section 64 of the printed bill and substituting instead the following:

SECTION _____. The Department of Finance and Administration is directed to notify in writing by October 1, 2010, each entity (other than state agencies or individuals) receiving a grant under this act which is from a non-recurring appropriation that such funding has been identified in the Budget or appropriations act to expire at the end of 2010-2011 or 2011-2012, as applicable, and that such entity is advised to seek alternative non-state funding for future fiscal years or to reduce its budget.

REAL ESTATE TRANSFER TAX

and in Section 7 of the printed bill by adding the following new item:

Item _____. From the appropriations in Section 1 of this act, there hereby is appropriated \$17,000,000 from the real estate transfer tax, to be allocated to the following programs, as authorized by Tennessee Code Annotated, Section 67-4-409:

(a) Agricultural Resources Conservation Fund.....	\$ 3,187,500
(b) Local Parks Acquisition Fund.....	3,718,700
(c) State Lands Acquisition Fund	3,187,500
of which \$75,000 shall be allotted for payments in lieu of taxes; and	
(d) 1986 Wetland Acquisition Fund	6,906,300
of which \$400,000 shall be allotted for payments in lieu of taxes.	

SECTION 39

AND FURTHER AMEND by deleting in its entirety Section 39 of the printed bill and substituting the following as a new Section 39:

SECTION 39. The provisions of this section shall take effect upon becoming law, the public welfare requiring it. At June 30, 2010, any unexpended balances of departmental revenues and federal aid funds appropriated in this section are hereby reappropriated in the fiscal year beginning July 1, 2010.

(a) There is hereby appropriated from departmental revenues and federal aid funds the amounts hereinafter set out:

	<u>2009-2010</u>	<u>2010-2011</u>
Commissions		
1. Commission on Aging and Disability	541,400	1,005,700
Education (K-12)		
1. Improving Schools Program	10,000	3,330,000
Higher Education – State-Administered Programs		
1. Tennessee Higher Education Commission	41,700	300,000
Health		
1. Local Health Services	9,522,500	9,522,500
Human Services		
1. Disability Determination	0	3,000,000

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Tennessee Bureau of Investigation		
1. Tennessee Bureau of Investigation	<u>100,700</u>	<u>100,700</u>
Subtotal Section 39(a)	<u>10,216,300</u>	<u>17,258,900</u>

The Commissioner of Finance and Administration is authorized to establish thirty-four (34) full-time and one (1) part-time positions and to allocate them to the appropriate organizational units, including one (1) part-time position in the District Public Defenders Conference, Executive Director's Office, and one (1) full-time position in the Department of Education, Accountability and Assessment program.

(b) From funds available from U.S. Public Law 111-5, the American Recovery and Reinvestment Act, there is hereby appropriated from federal funds and other departmental revenues the amounts hereinafter set out:

	<u>2009-2010</u>	<u>2010-2011</u>
Commissions		
1. Commission on Aging and Disability	198,000	800,000
2. Arts Commission	<u>68,000</u>	<u>(68,000)</u>
Subtotal Commissions	266,000	732,000
Finance and Administration		
1. Electronic Health Initiative	2,655,200	433,800
2. Governor's Office of State Planning and Policy	<u>0</u>	<u>2,168,400</u>
Subtotal Finance and Administration	2,655,200	2,602,200
Finance and Administration, Bureau of TennCare		
1. TennCare Administration	1,369,000	2,700,000
2. TennCare Services	<u>0</u>	<u>60,000,000</u>
Subtotal Finance and Administration, Bureau of TennCare	1,369,000	62,700,000
Education (K-12)		
1. Energy Efficient Schools Initiative	700,000	2,300,000
Higher Education – State-Administered Programs		
1. Tennessee Higher Education Commission	774,000	4,735,600
Health		
1. Policy Planning and Assessment	0	75,000
2. Communicable and Environmental Disease Services	35,400	533,900
3. Community and Medical Services	<u>400,800</u>	<u>962,000</u>
Subtotal Health	436,200	1,570,900
Transportation		
1. Air, Water, and Rail Transportation	<u>0</u>	<u>55,300,000</u>
Subtotal Section 39(b)	<u>6,200,400</u>	<u>129,940,700</u>

The Commissioner of Finance and Administration is authorized to establish twenty (20) full-time positions, and to allocate positions to the appropriate organizational units, and to transfer four (4) positions from the Department of Education to the Higher Education

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Commission for the federal Race to the Top grant. The Commissioner of Finance and Administration is further authorized to delete one position in the Department of Education and establish one position in the Higher Education Commission, relative to the federally funded program improvement identified on page B-379 of the Budget Document for the statewide longitudinal data system.

Within federal Race to the Top funds available to the Department of Education, the Commissioner of Finance and Administration is authorized to adjust interdepartmental revenue estimates and position authorizations of other state agencies as necessary to assist the Department of Education in implementation of the program.

Grand Total Section 39	<u>16,416,700</u>	<u>147,199,600</u>
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OVER-APPROPRIATIONS

AND FURTHER AMEND in Section 43 of the printed bill by deleting Item 1 in its entirety and substituting instead:

Item 1. It is the legislative intent to recognize over-appropriation reversion savings in the general fund in the following amounts:

(a) In fiscal year 2009-2010 to recognize a base recurring over-appropriation of \$100,300,000 and a TennCare reversion of \$20,000,000 and a non-recurring reversion of \$249,038,000.

(b) In fiscal year 2010-2011 to recognize a base recurring over-appropriation of \$100,300,000 and a TennCare reversion of \$20,000,000 and a reversion of \$17,213,400 in base budget adjustments and reductions.

(c) It is further the legislative intent to recognize enhanced federal match and clawback savings in the TennCare program in fiscal year 2009-2010 and fiscal year 2010-2011 in a total amount of \$121,551,300. The estimates are \$98,300,000 in fiscal year 2009-2010 and \$23,251,300 in fiscal year 2010-2011.

Pursuant to Section 43, Item 2 of this act, the Commissioner of Finance and Administration shall determine the amount available in the TennCare program at June 30, 2010, and establish a Reserve for 2010-2011 Appropriations in the amount determined.

AND FURTHER AMEND in Section 43 of the printed bill by adding a new sub-item in Item 2 to read:

(a) It is the legislative intent that the reserve established at June 30, 2010 shall include a designation in the amount of \$100,492,300 for 2009-2010 Closing Plan – Available Funds.

RAINY DAY FUND

AND FURTHER AMEND in Section 47 of the printed bill by deleting in Item 1 the figure "\$501,800,000" and substituting instead the figure "\$453,100,000";

and by deleting in Item 2 the figure "\$444,700,000" and substituting instead "\$330,600,000";

OTHER AMENDMENTS

AND FURTHER AMEND in Section 2 of the printed bill by adding a new item:

Item _____. The capital outlay project, Northeast Correctional Complex Various Reroofs – Phase 1, to be funded in the amount of \$6,200,000 from the appropriation made in Section 2, Item 11(b) of this act and listed on page A140 of the 2010-2011 budget document, is deleted and there is hereby reappropriated the sum of \$6,200,000 to provide for various reroofs at the West Tennessee State Prison Site 3 in Lauderdale County.

AND FURTHER AMEND in Section 6 of the printed bill by adding new items:

Item _____. There is hereby appropriated to the Tennessee State School Bond Authority a sum sufficient in the amount of payments allowable to the Authority from the federal government pursuant to the qualified school construction bond program or similar programs, for purposes of debt service on such bonds.

Item _____. Pursuant to Tennessee Code Annotated, Section 9-9-208(4), the State Funding Board is directed to cancel unissued bonds in the amount of eleven million six hundred ninety-seven dollars and ninety-seven cents (\$11,000,697.97) authorized by Chapter 313, Public Acts of 2003, the proceeds of which were allocated to the Department of Finance and Administration for the purpose of funding state veterans' homes projects and for the purpose of refunding outstanding debt of the Tennessee Veterans' Homes Board related to state veterans' homes. The provisions of this item shall take effect upon becoming a law, the public welfare requiring it.

AND FURTHER AMEND in Section 8, Item 18 of the printed bill by inserting a new sub-item (g) to read:

(g) Division of Regulatory Services a sum sufficient pursuant to Tennessee Code Annotated, Section 47-18-1311, pertaining to kerosene and motor fuels quality inspection.

AND FURTHER AMEND in Section 9, Item 18 of the printed bill by deleting sub-item (d) in its entirety and substituting instead:

(d) From revenues and reserves of the Small Business Energy Loan Program, Local Government Energy Loan Program, and Tennessee Energy Loan Program.

AND FURTHER AMEND in Section 29 of the printed bill by deleting Item 4 in its entirety and substituting instead:

Item 4. It is the intent of the General Assembly that the fee charges among the public institutions of higher education of the state, be subject to the nature and scope of the institutions, and that the State Board of Regents and the Board of Trustees of the University of Tennessee shall consult with the Higher Education Commission before establishing the fee schedules for the universities, community colleges and technology centers.

AND FURTHER AMEND in Section 29, Item 21 of the printed bill by inserting a new paragraph to read:

The following proposed capital outlay projects, to be funded from school bonds, institutional/auxiliary and other funds, are in addition to those projects listed on pages A-144 through A-146 in the 2010-2011 Budget Document:

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Austin Peay State University	
Baseball Fields Restroom	\$ 150,000
Clement & MMC Building Water Heaters	250,000
Clement Hall Window Replacements	850,000
Dunn Center Steam Line Replacement	740,000
Ellington Hall HVAC Upgrades	1,200,000
Harned Hall HVAC Replacement	610,000
Math and Computer Science Building	5,700,000
Emerald Hills Sprinkler System	1,200,000
Total APSU	<u>\$ 10,700,000</u>

East Tennessee State University	
Athletic Weight Room Relocation & Renovation	\$ 300,000
Brown Hall Infrastructure Replacements	2,000,000
Center for Academic Achievement Renovation	300,000
COM Building 4 First Floor Renovation	150,000
Sam Wilson Hall Renovation	250,000
Campus Welcome Center	2,000,000
Total ETSU	<u>\$ 5,000,000</u>

Middle Tennessee State University	
Feedwater System and Steam Line Improvements	\$ 1,700,000
Steam Plant & Water Treatment Plant Upgrades	850,000
Fairview Building Renovation	500,000
Health and Wellness Building Addition	5,750,000
Mass Communications Media Convergence Center	570,000
Peck Hall Forensic Labs	270,000
Several Buildings Envelope Repairs	1,100,000
Several Buildings Window Replacements	2,650,000
Total MTSU	<u>\$ 13,390,000</u>

Tennessee State University	
Research Facility Buildout	\$ 2,000,000
Torrence Engineering Building Upgrades	1,550,000
Total TSU	<u>\$ 3,550,000</u>

Tennessee Technological University	
Johnson Hall Classroom Upgrade	\$ 210,000
Prescott Lecture Hall Update	320,000
T.J. Farr Classroom Upgrades	260,000
Total TTU	<u>\$ 790,000</u>

University of Memphis	
Business and Economics Building Restroom Upgrades	\$ 260,000
Clement and Mitchell Hall HVAC Updates	3,100,000
Daycare Expansion	300,000
Hiring Lab Renovations	1,600,000

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Indoor Football Practice Facility	9,000,000
Intramural Field Turf and Lighting Upgrades	1,300,000
Music and ROTC Tower	130,000
Normal Hall Building Improvements	200,000
Park Avenue Heating Plant Demolition	400,000
Pool Deck Replacement	250,000
Scates Hall Restroom Renovations	450,000
Large Classroom Improvements	300,000
Student Housing	33,000,000
Total UOM	<u>\$ 50,290,000</u>
Cleveland State Community College	
Science Laboratories Modernization	\$ 600,000
Student Center Renovation	220,000
Total CISCC	<u>\$ 820,000</u>
Jackson State Community College	
Several Buildings Lighting Upgrades	\$ 900,000
Student Parking Repairs	210,000
Total JSCC	<u>\$ 1,110,000</u>
Motlow State Community College	
Eoff Hall Ceiling and Lighting Renovation	\$ 220,000
Several Campus Buildings Exterior Repair	430,000
Power Building Chiller Engine Replacements	140,000
SCAT Building Foundation Repairs	150,000
Total MSCC	<u>\$ 940,000</u>
Roane State Community College	
Student Services Renovations	\$ 230,000
Total RSCC	<u>\$ 230,000</u>
Southwest Tennessee Community College	
M Building Renovations	\$ 400,000
Macon Cove Campus Parking Lot	650,000
Total STCC	<u>\$ 1,050,000</u>
Volunteer State Community College	
Energy Management System Upgrades	\$ 1,300,000
Warf Parking Lot Expansion	700,000
Total VSCC	<u>\$ 2,000,000</u>
Walters State Community College	
Emergency Generator Installation	\$ 100,000
Total WSCC	<u>\$ 100,000</u>
Total Tennessee Board of Regents	<u><u>\$ 89,970,000</u></u>

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University of Tennessee System

University of Tennessee Chattanooga

Bretske Hall Upgrades	\$ 1,540,000
Several Buildings Roof Replacements	300,000
Several Buildings Floor Finish Replacements	300,000
Maclellan Gym Improvements	1,350,000
Guerry Center Food Service Operations	3,500,000
Total UT Chattanooga	<u>\$ 6,990,000</u>

UT Health Science Center

Emergency Power Upgrades	\$ 2,000,000
GEB Improvements	2,750,000
Total UTHSC	<u>\$ 4,750,000</u>

UT Institute of Agriculture

Johnson Research Unit HVAC Improvements	\$ 120,000
Clyde Austin Water Line Extension	310,000
Total UT Institute of Agriculture	<u>\$ 430,000</u>

University of Tennessee Martin

Upgrade Campus Lighting	\$ 3,300,000
Total UT Martin	<u>\$ 3,300,000</u>

Total University of Tennessee	<u><u>\$ 15,470,000</u></u>
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Grand Total	<u><u>\$105,440,000</u></u>
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The East Tennessee State University project, Downtown Clinic, listed on page A-138 of the 2009-2010 Budget Document in the amount of \$2,000,000 and amended per Section 29, Item 18 of Chapter 554, Public Acts of 2009 is to be canceled.

AND FURTHER AMEND in Section 32 of the printed bill by inserting a new sentence to read:

The Commissioner of Economic and Community Development is authorized to transfer sums sufficient from the appropriation for FastTrack Infrastructure and Job Training Assistance to Tennessee Jobs Skills Program, subject to the approval of the Commissioner of Finance and Administration.

AND FURTHER AMEND in Section 36 of the printed bill by deleting Item 44 in its entirety.

AND FURTHER AMEND in Section 36 of the printed bill by deleting in Item 16 the figure "\$1,546,722.03" and substituting instead "\$1,919,392.54".

AND FURTHER AMEND in Section 36 of the printed bill by adding the following new items:

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Item _____. To the Department of Human Services for the purpose of Child Support Enforcement which remain unobligated and unexpended may be carried forward in reserve.

Item _____. To the Department of Human Services for the purpose of Vocational Rehabilitation Services to clients which remain unobligated and unexpended may be carried forward in reserve.

AND FURTHER AMEND in Section 41 of the printed bill by adding the following new items:

Item _____. The Commissioner of Finance and Administration is authorized to establish three full-time positions in the Department of Correction for cook-chill program security.

Item _____. In the fiscal year ending June 30, 2010, the unexpended balances of appropriations made under Chapter 554, Public Acts of 2009, in Section 65, Item 3, for an advanced manufacturing technology center, and Item 4, to the Energy Efficiency and Clean Energy Technology Initiatives, are hereby reappropriated to be expended in the 2010-2011 fiscal year.

The appropriation in sub-item (c)(i) of Item 4 is further reappropriated, as follows. To assist commercial and industrial businesses in Tennessee implementing energy efficiency improvements, the sum of \$15,000,000 to establish a low-interest revolving loan fund or to provide a grant to participate in a loan fund consortium. Such direct appropriation grant may be made to the Southeast Community Capital Corporation or other entity as determined by the Commissioner of Economic and Community Development and approved by the Commissioner of Finance and Administration; provided, however, that the state may recoup any unused loan guarantee, it being the legislative intent that \$14,000,000 be used for the purpose of creating a revolving loan fund or loan consortium; these funds may be used as loan capital, loan guarantees or loan loss reserves to leverage additional loan capital, provided such amounts are approved by the State, for the purpose of making low-interest loans to businesses; and no more than \$1,000,000 of the grant used for operating purposes.

The appropriation in sub-item (c)(ii) of Item 4 is further reappropriated, as follows. For participation in a multi-state initiative with the U.S. Department of Energy to demonstrate electric vehicle technologies, the sum of \$2,500,000 for a grant and the sum of \$2,500,000 for rebates to purchase electric vehicles that are eligible under the multi-state initiative.

Item _____. The appropriation made to the state office building and support facilities revolving fund pursuant to Chapter 554, Section 68, Item 8 (b) of Public Acts of 2009, is hereby reappropriated for the same purpose in the fiscal year beginning July 1, 2010.

Item _____. In the fiscal year ending June 30, 2010, any unexpended balances of appropriations made to the Department of Health for Diabetes Prevention and Health Improvement are hereby reappropriated to be expended in the 2010-2011 fiscal year and such appropriations shall be carried forward in a reserve into the fiscal year beginning July 1, 2010.

AND FURTHER AMEND in Section 56, Item 1(a) of the printed bill by inserting after the words "health care safety net appropriations" the punctuation and words ", including Project Diabetes,".

HOUSEKEEPING AMENDMENTS

AND FURTHER AMEND in Section 3, Item 1 of the printed bill by deleting in the second paragraph in two (2) places the words "Commissioner of Personnel" and substituting instead "Commissioner of Human Resources".

AND FURTHER AMEND in Section 10, Item 12 of the printed bill by deleting the words "Commissioner of Personnel" and "Department of Personnel" and substituting instead "Commissioner of Human Resources" and "Department of Human Resources".

AND FURTHER AMEND in Section 15, Item 12 of the printed bill by deleting in two (2) places the words "Commissioner of Personnel" and substituting instead "Commissioner of Human Resources".

AND FURTHER AMEND in Section 23 of the printed bill by deleting in the first paragraph the words "Commissioner of Personnel" and substituting instead "Commissioner of Human Resources".

AND FURTHER AMEND in Section 28 of the printed bill by deleting the words "Commissioner of Personnel" and substituting instead "Commissioner of Human Resources".

AND FURTHER AMEND in Section 30 of the printed bill by deleting in the fourth paragraph in two (2) places the words "Commissioner of Personnel" and substituting instead "Commissioner of Human Resources".

AND FURTHER AMEND in Section 41, Item 1, sub-item (1)(d) of the printed bill by deleting the words "Department of Personnel" and substituting instead "Department of Human Resources".

AND FURTHER AMEND in Section 10, Item 22 of the printed bill by deleting the words "and/or the Department of Safety" and by inserting a period after the words "Department of Revenue".

AND FURTHER AMEND in Section 12, Item 2 of the printed bill by deleting the words "public necessity rules" and substituting instead "emergency rules".

AND FURTHER AMEND in Section 31 of the printed bill by adding in the last paragraph a new sentence to read:

"Any unexpended funds at June 30, 2010, are hereby reappropriated in the 2010-2011 fiscal year".

AND FURTHER AMEND in Section 35, Item 9 of the printed bill by deleting the words "Department of Children's" and substituting instead "Department of Children's Services".

AND FURTHER AMEND in Section 41, Item 23 of the printed bill by deleting in the first sentence the word "is" and substituting instead "was"; and by deleting the dates "June 30, 2009 and June 30, 2010" and substituting instead "June 30, 2010 and June 30, 2011".

AND FURTHER AMEND in Section 46, Item 2 of the printed bill by deleting the T.C.A. citation "Title 55, Chapter 4, Part 132" and substituting instead "Section 55-4-132".

AND FURTHER AMEND in Section 52, Item 2 of the printed bill by deleting in the first sentence the academic year reference "2009-2010" and substituting instead "2010-2011".

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AND FURTHER AMEND in Section 49, Item 2 of the printed bill by deleting the incomplete citation "Senate Bill No. ____/House Bill No. ____" and substituting instead "Senate Bill No. 3880/House Bill No. 3796".

AND FURTHER AMEND in Section 59, Item 1 of the printed bill by deleting the incomplete citation "Senate Bill No. ____/House Bill No. ____" and substituting instead "Senate Bill No. 3901/House Bill No. 3787".

AND FURTHER AMEND in Section 59, Item 2 of the printed bill by deleting the incomplete citation "Senate Bill No. ____/House Bill No. ____" and substituting instead "Senate Bill No. 3912/House Bill No. 3780".

AND FURTHER AMEND in Section 59, Item 3(a) of the printed bill by deleting the incomplete citation "Senate Bill No. ____ House Bill No. ____" and substituting instead "Senate Bill No. 2902/House Bill No. 3527".

AND FURTHER AMEND in Section 59, Item 3(b) of the printed bill by deleting the incomplete citation "Senate Bill No. ____/House Bill No. ____" and substituting instead "Senate Bill No. 2900/House Bill No. 3543 and Senate Bill No. 2901/House Bill No. 3538".

AND FURTHER AMEND in Section 65 of the printed bill by deleting the incomplete citation "Senate Bill No. ____/House Bill No. ____" and substituting instead "Senate Bill No. 3916/House Bill No. 3925".

AND FURTHER AMEND by requesting the Engrossing Clerk to delete the bold underlined explanatory headings in this amendment.

LEGISLATIVE ADJUSTMENTS

AND FURTHER AMEND by deleting the following language:

REAL ESTATE TRANSFER TAX

and in Section 7 of the printed bill by adding the following new item:

Item _____. From the appropriations in Section 1 of this act, there hereby is appropriated \$17,000,000 from the real estate transfer tax, to be allocated to the following programs, as authorized by Tennessee Code Annotated, Section 67-4-409:

(a) Agricultural Resources Conservation Fund	\$ 3,187,500
(b) Local Parks Acquisition Fund	3,718,700
(c) State Lands Acquisition Fund	3,187,500
of which \$75,000 shall be allotted for payments in lieu of taxes; and	
(d) 1986 Wetland Acquisition Fund	6,906,300
of which \$400,000 shall be allotted for payments in lieu of taxes.	

and by substituting instead the following:

REAL ESTATE TRANSFER TAX

and in Section 7 of the printed bill by adding the following new items:

Item ____.

(a) From the appropriations in Section 1 of this act, there hereby is appropriated \$8,325,000 from the real estate transfer tax, to be allocated to the following programs, as authorized by Tennessee Code Annotated, Section 67-4-409:

(1) Agricultural Resources Conservation Fund.....	\$ 2,250,000
(2) Local Parks Acquisition Fund.....	0
(3) State Lands Acquisition Fund	75,000
of which \$75,000 shall be allotted for payments in lieu of taxes; and	
(4) 1986 Wetland Acquisition Fund	6,000,000
of which \$400,000 shall be allotted for payments in lieu of taxes.	

(b) From the appropriations in Section 1 of this act, there is appropriated from the general fund the sum of \$8,675,000 (non-recurring) to the following funds:

(1) Agricultural Resources Conservation Fund.....	\$ 937,500
(2) Local Parks Acquisition Fund.....	3,718,700
(3) State Lands Acquisition Fund	3,112,500;
and	
(4) 1986 Wetland Acquisition Fund	906,300.

Item ____.

(a) The appropriation made to the Department of Agriculture in Section 1 of this act is reduced by the sum of \$6,300,000. Such funding reduction is for the purpose of reducing the base appropriation for the agricultural enhancement program.

(b) In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$6,300,000 (non-recurring) to the Department of Agriculture for the purpose of the agricultural enhancement program.

SECTION 10 EARMARKS, REDUCTIONS, APPROPRIATIONS

AND FURTHER AMEND by adding the following new items at the end of Section 10:

Item ____.

(a) From the funds appropriated to the Department of Transportation, there is earmarked a sum sufficient for the sole purpose of implementing Senate Bill No. 2503/House Bill No. 2524, Senate Bill No. 2723/House Bill No. 2696, Senate Bill No. 2386/House Bill No. 2435, Senate Bill No. 2516/House Bill No. 2480, Senate Bill No.

3010/House Bill No. 2990, Senate Bill No. 2855/House Bill No. 2548, Senate Bill No. 401/House Bill No. 1338, Senate Bill No. 3665/House Bill No. 3739, Senate Bill No. 3673/House Bill No. 3740, Senate Bill No. 3667/House Bill No. 3736, Senate Bill No. 3668/House Bill No. 3735, Senate Joint Resolution No. 764, House Joint Resolution No. 917, House Joint Resolution No. 955 and House Joint Resolution No. 806, if such bills and resolutions become law.

(b) From the funds appropriated to the Department of Transportation, there is earmarked a sum sufficient for the sole purpose of funding any general bill or resolution that becomes law, designating an interstate, United States highway or state highway as a memorial highway or as a memorial bridge for certain individuals killed in the line of duty, pursuant to § 54-1-133 or § 54-5-1003, that is not otherwise funded in this act.

Item _____. From the Unemployment Insurance Administrative Fund, there is appropriated a sum sufficient for the sole purpose of implementing Senate Joint Resolution 869, relative to naming the Tennessee Career Center on Old Fort Parkway in Murfreesboro, if such resolution becomes law.

Item _____. From the Wildlife Resources Fund, there is appropriated a sum sufficient for the sole purpose of implementing Senate Bill No. 3061/House Bill No. 3936, relative to the Tennessee Wildlife Resources Advisory Committee, if such bill becomes law.

Item _____. From funds available to the Board of Medical Examiners, there is appropriated a sum sufficient for the sole purpose of implementing Senate Bill No. 3092/House Bill No. 3251, relative to immigration verification, if such bill becomes law.

Item _____. From funds available to the Board of Examiners of Land Surveyors, there is appropriated a sum sufficient for the sole purpose of implementing Senate Bill No. 2775/House Bill No. 3247, relative to retired land surveyors, if such bill becomes law.

Item _____. The appropriation to the Department of Finance and Administration, Division of Intellectual Disabilities, in Section 1 of this act is reduced by the sum of \$38,000,000. Such funding reduction is for the purpose of reducing the capital outlay appropriation for group homes from \$50,000,000 to \$12,000,000.

Item _____.

(a) The appropriation made for the Tennessee Student Assistance Award Program (TSAA) by the provisions of this act is reduced by the sum of \$3,200,000. Such funding reduction is for the purpose of reducing the base appropriation for such program.

(b) In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$3,200,000 (non-recurring) to the Tennessee Student Assistance Corporation for the purpose of TSAA.

Item _____.

(a) The appropriation made to the Department of Finance and Administration, Bureau of TennCare, in Section 1 of this act is reduced by the sum of \$2,272,800. Such funding reduction is for the purpose of reducing the base appropriation for perinatal outreach grants.

(b) In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$2,272,800 (non-recurring) to the Department of Finance and Administration, Bureau of TennCare for the purpose of perinatal outreach grants.

Item _____. The appropriation made to the Department of Finance and Administration in Section 1 of this act is reduced by the sum of \$1,725,000 (non-recurring). Such funding reduction is for the purpose of reducing improvement funds available as matching funds for health information technology.

Item _____. The appropriation made to the Department of Education in Section 1 of this act is reduced by the sum of \$5,443,800. Such funding reduction is for the purpose of reducing the base appropriation for the career ladder program due to natural attrition.

Item _____.

(a) The appropriation made to the Tennessee Arts Commission by the provisions of this act is reduced by the sum of \$754,900. Such funding reduction is for the purpose of reducing the base appropriation for Arts Commission grants.

(b) In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$754,900 (non-recurring) to the Tennessee Arts Commission for the purpose of Arts Commission grants.

Item _____.

(a) The appropriation made to the Department of Education in Section 1 of this act is reduced by the sum of \$2,241,000. Such funding reduction is for the purpose of reducing the base appropriation for the Governor's Schools program.

(b) In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$2,241,000 (non-recurring) to the Department of Education for the purpose of the Governor's Schools program.

Item _____.

(a) The appropriations made to state agencies by the provisions of this act are reduced by the sum of \$986,300. Such funding reduction is for the purpose of eliminating the recurring base appropriation for performance-based budgeting operational support. The Commissioner of Finance and Administration is directed to allocate such adjustment to the appropriate organizational units and to adjust dedicated and departmental revenues accordingly.

(b) In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$986,300 (non-recurring) to state agencies for the purpose of performance-based budgeting operational support. The Commissioner of Finance and Administration is directed to allocate such adjustment to the appropriate organizational units and to adjust dedicated and departmental revenues accordingly.

Item _____.

(a) The appropriation made to the Department of Education in Section 1 of this act is reduced by the sum of \$7,000,000. Such funding reduction is for the purpose of

reducing the base appropriation for average daily membership (ADM) growth funding in the Basic Education Plan (BEP).

(b) In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$7,000,000 (non-recurring) to the Department of Education for the purpose of ADM growth funding in the BEP.

Item _____. The appropriation made to Miscellaneous Appropriations in Section 1 of this act is reduced by the sum of \$1,300,000 (non-recurring). Such funding reduction is for the purpose of reducing the appropriation for the Severance Benefit Plan.

Item _____. From the funds appropriated to the Department of Environment and Conservation, there is earmarked a sum sufficient for the sole purpose of continuing restaurant operations at Henry Horton State Park for one year.

Item _____. From the funds appropriated to the Department of Economic and Community Development, there is earmarked a sum sufficient not to exceed \$560,000 for the sole purpose of industrial retention initiatives in counties that are economically distressed or counties that are contiguous to at least two economically distressed counties.

Item _____. From the funds appropriated to the Department of Children's Services, there is earmarked \$77,700 for the sole purpose of restoring the position of chaplain at Wilder Youth Development Center, Fayette County.

Item _____. From the Unemployment Insurance Fund, there is appropriated \$183,000 (recurring) and \$44,000 (non-recurring) for the sole purpose of implementing Senate Bill No. 2409/House Bill No. 3889, relative to unemployment compensation, if such bill becomes a law.

Item _____. From the funds appropriated to the Department of Economic and Community Development, there is earmarked a sum sufficient for the sole purpose of continued support of the Tennessee Technology Development Corporation until June 30, 2011.

Item _____. From the funds appropriated by this act, the State Funding Board is directed to conduct a study of the budgeted contingency costs of capital outlay projects compared to the actual costs of such capital outlay projects to increase efficiency in state government. Such study shall examine the methodologies and reporting requirements of entities completing such capital outlay projects and the use of such contingency funds to develop best practices for managing the public debt of the state. It is the legislative intent that all entities eligible to receive state bond proceeds participate in such study by providing timely information and other services as requested by the State Funding Board.

Item _____. From the appropriations made to the Tennessee Department of Treasury by this act, there is earmarked a sum sufficient for any expenses incurred by the state treasurer in conducting a study of the receipt and deposit of funds, checks or other instruments of payment that are received by state departments, agencies, bureaus or other instrumentalities (except the University of Tennessee and the Tennessee Board of Regents) to determine if the implementation of technologies such as electronic receipt of payments, the use of echeck, check scanning or other technologies would increase efficiencies for the state, reduce costs or improve earnings on the state treasury. Any such findings and

recommendations shall be reported to the state funding board. It is the legislative intent that all state departments, agencies, bureaus and instrumentalities cooperate with the Treasury Department in furnishing requested information necessary for the preparation of such study.

Item _____. From the funds appropriated by this act, the Comptroller of the Treasury is directed to conduct a performance evaluation of all joint oversight committees of the General Assembly and report the findings to the chairmen of the Finance, Ways and Means Committees of the House of Representatives and the Senate no later than January 15, 2011.

Item _____. From the funds appropriated to the Administrative Office of the Courts, there is earmarked a sum sufficient for the sole purpose of conducting a study of the rising costs of indigent defense in the state and to develop a plan to reduce such costs. Such study shall examine, at a minimum, eligibility requirements, fee rates including sliding scale options, limits, verification processes, and utilization by judicial districts. The District Attorneys General Conference, District Public Defenders Conference, Post-Conviction Defenders Conference, Attorney General's Office, members of the Judiciary Committees of the Senate and House of Representatives, and any other participant in the criminal justice system as requested by the Administrative Office of the Courts shall participate in such study. The Judicial Council may participate in such study as directed by the Administrative Office of the Courts. The Administrative Office of the Courts shall report its findings, including any recommended legislation, to the General Assembly no later than January 15, 2011.

SECTION 12 APPROPRIATIONS

AND FURTHER AMEND by adding the following new items to the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient to the Department of Finance and Administration for distribution to the appropriate entities for the sole purpose of implementing Senate Bill No. 1997/House Bill No. 1911, Senate Bill No. 2655/House Bill No. 2625, Senate Bill No. 3290/House Bill No. 3181, Senate Bill No. 3209/House Bill No. 3529, Senate Bill No. 2392/House Bill No. 2693, Senate Bill No. 3739/House Bill No. 3063, Senate Bill No. 2724/House Bill No. 2788, Senate Bill No. 3219/House Bill No. 3277, Senate Bill No. 2882/House Bill No. 2872, Senate Bill No. 3097/House Bill No. 3176, Senate Bill No. 2407/House Bill No. 2474, Senate Bill No. 3551/House Bill No. 3634, Senate Bill No. 3268/House Bill No. 3413, Senate Bill No. 2886/House Bill No. 2989, Senate Bill No. 3100/House Bill No. 3142, Senate Bill No. 2914/House Bill No. 3272, Senate Bill No. 2721/House Bill No. 2796, Senate Bill No. 2789/House Bill No. 3499, Senate Bill No. 2616/House Bill No. 2556, Senate Bill No. 3501/House Bill No. 3683, Senate Bill No. 3135/House Bill No. 3169, Senate Bill No. 2768/House Bill No. 2644, Senate Bill No. 3354/House Bill No. 2645, and House Joint Resolution No. 1318, if such bills and resolutions become law. It is the legislative intent that if funding is earmarked for such implementation in such bills or resolutions that the funds appropriated in this item be reduced accordingly.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient for the sole purpose of implementing Senate Bill No. 3591/House Bill No. 3163, relative to workers' compensation, if such bill becomes a law.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$40,000 for the sole purpose of implementing Senate Bill No. 3121/House Bill No. 3282, relative to violations of implied consent, if such bill becomes a law.

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Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$18,000,000 (non-recurring) to the Department of Correction, for the sole purpose of maintaining operations at the Whiteville Correctional Facility for a six-month period beginning January 1, 2011, and continuing until June 30, 2011 or for such other six-month or longer period as negotiated by the department.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated to the Department of Finance and Administration, Division of Intellectual Disabilities Services, the sum of \$4,019,100 (non-recurring) to be matched with any and all available federal funds for the sole purpose of maintaining operations of the Greene Valley Developmental Center including all authorized positions.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated to the Department of Finance and Administration, Division of Intellectual Disabilities Services the sum of \$3,960,000 (non-recurring) to be matched with any and all available federal funds for an anticipated total amount of \$16,200,000, for the sole purpose of maintaining residential rates paid to providers for levels of need categories one through four at not less than the rates provided in fiscal year 2009-2010. It is the legislative intent that such levels be maintained during fiscal year 2010-2011.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is hereby appropriated to the Department of Mental Health and Developmental Disabilities the sum of \$1,500,000 (non-recurring) to be expended as follows:

(a) \$ 1,000,000 to fund crisis response services and Crisis Stabilization Units for increasing numbers of uninsured persons experiencing psychiatric emergencies in Tennessee; and

(b) \$ 500,000 for the Behavioral Health Safety Net of Tennessee to fund basic services for increasing numbers of SPMI being enrolled.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$500,000 (non-recurring) to the Department of Education for the sole purpose of allocating such sum as grants in equal amounts to each Tennessee public television station, to be used for equipment, programs and operational expenses.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$157,500 (non-recurring) to the Department of Tourist Development for the purposes of Web site development, marketing, advertising and other support services for the Tennessee Sesquicentennial Commission.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$1,786,000 (non-recurring) for the sole purpose of implementing Senate Bill No. 3101/House Bill No. 3114, relative to extending foster care services, if such bill becomes a law.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$1,900,000 (non-recurring) to the Department of Mental Health and Developmental Disabilities for the sole purpose of making grants from such amount to private hospitals receiving funding prior to November 2008 for inpatient psychiatric

treatment of uninsured committed patients, to be used for continued funding of such inpatient psychiatric treatment of uninsured committed patients.

Item _____. To the Department of Economic and Community Development for capital outlay, the sum of \$22,300,000 (non-recurring) for the West Tennessee Mega-Site industrial infrastructure project.

Item _____. To the Department of Education, Basic Education Program (BEP), the sum of \$29,600,000 (non-recurring) for 2010-2011 capital outlay funding in the BEP calculation pursuant to the BEP non-recurring appropriation provision of Senate Bill No. 3880/House Bill No. 3796 or, alternatively, Senate Bill No. 2616/House Bill No. 2556.

Item _____.

(a) In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$270,000 (non-recurring) to the Department of Environment and Conservation for maintenance and operational expenses of the golf course at T. O. Fuller State Park. It is the legislative intent that such golf course remain open and operational for a period of one year while the Department of Environment and Conservation seeks appropriate partnerships with municipal and county government and nonprofit entities for sustainability in continued operation of the golf course and park.

(b) In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$41,000 (non-recurring) to the Department of Environment and Conservation for maintenance and operational expenses of the golf course at Old Stone Fort State Park. It is the legislative intent that such golf course remain open and operational for a period of one year while the Department of Environment and Conservation seeks appropriate partnerships with municipal and county government and nonprofit entities for sustainability in continued operation of the golf course and park.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated from the general fund the sum of \$1,500,000 (recurring) to the Tennessee Wildlife Resources Agency for the purpose of non-game and endangered species and similar wildlife management activities.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$192,300 (non-recurring) to the legislative department for hardware, software and associated supplies and training for purposes of constitutionally-mandated decennial redistricting.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated to the Department of Agriculture, the sum of \$30,000 (non-recurring) for the sole purpose of black fly suppression programs and treatment.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$65,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the East Tennessee Community Design Center in Knoxville, to be used for programs, services and operational expenses.

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Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$25,000 (non-recurring) to the State Building Commission for the sole purpose of studying issues related to maintenance of state facilities including roofs thereof.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$60,000 (recurring) to the Comptroller of the Treasury for the sole purpose of continuation of property assessor certification payments.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$30,000 (non-recurring) to the Tennessee Historical Commission for the sole purpose of the continuation of the historical interpretation pilot project. It is the intent of the General Assembly that such funds be distributed to the same property funded in Section 12, Item 14, of Chapter 554 of the Public Acts of 2009.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated from the general fund the sum of \$97,000 (non-recurring) to the Tennessee Wildlife Resources Agency for the sole purpose of improving accessibility to lakes.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$50,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to Emotional Fitness Centers of Tennessee, to be used for the expansion of services.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$35,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the Academy of Youth and Empowerment in Shelby County, to be used for equipment, programs, services and operational expenses.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$90,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the National Institute for Law and Equity (NILE), to be used for operational expenses and programs including continuation of the Parent Partner Program.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$250,000 (non-recurring) to the Commission on Aging and Disability for the sole purpose of funding Meals on Wheels programs.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$100,000 (non-recurring) to the West Tennessee Seismic Safety Commission, created pursuant to Title 58, Chapter 9, Part 1, for the purpose of seismic research and services.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$5,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the Tennessee Public Safety Network, to be used for operational expenses including responding to critical incidents involving law enforcement agencies and officers.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$300,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the Amachi Mentoring Program operated statewide by Big Brothers Big Sisters of Middle Tennessee. It is the intent of the general assembly that such grant funds shall be distributed to participating Tennessee Big Brothers Big Sisters programs based on the number of children served.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$150,000 (non-recurring) to the Tennessee historical commission for the sole purpose of making a grant in such amount to the Stax Museum in Memphis, to be used for defrayal of operational costs.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$175,000 (non-recurring) to the Department of Health for the sole purpose of making a grant in such amount to St. Jude Hospital in Memphis, to defray, in whole or in part, the expenses of patients and their families who are citizens and residents of Tennessee in traveling to and from St. Jude Hospital. Such payments shall be administered by the hospital and shall be made on the basis of need. Such patients, or their families, requesting assistance from these funds shall supply such documents supporting need and travel expenses as the hospital may require.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$80,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to The Crumley House Brain Injury Foundation in Limestone, to be used for day-training and transitional living services for brain-injury survivors.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$29,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to A Secret Safe Place for Newborns of Tennessee, Inc., to be used for operational and educational expenses to promote the Safe Haven Law.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$100,000 (non-recurring) to the Department of Education for the sole purpose of making a grant in such amount to the Education Equal Opportunity Group, Inc. (EEOG), to be used to support student participation in EEOG programs for at-risk and under-served students.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$125,000 (non-recurring) to the Department of Health for the sole purpose of making a grant in such amount to the Memphis Oral School for the Deaf, to be used for programs and operational expenses.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$50,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to Freedom From Unnecessary Negatives, a nonprofit corporation located in Shelby County, to be used for the operation of community-based programs to prevent and resolve social and economic issues of urban youth and young adults.

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Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$36,800 (recurring) for the sole purpose of implementing Senate Bill No. 2701/House Bill No. 2765, relative to meetings and related expenses of the Second Look Commission, if such bill becomes a law.

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$83,500 (recurring) and \$5,000 (non-recurring) to Tennessee Commission on Children and Youth for the purpose of funding one position and equipment for such position to support the Second Look Commission, Senate Bill No. 2701/House Bill No. 2765, if such bill becomes a law.

Item _____. If Senate Bill No. 3431/House Bill No. 2813, relative to non-violent property offenses and aggravated robbery offense sentencing, becomes a law, the appropriations in Section 1 are reduced by a sum sufficient estimated to be \$261,300, to be allocated as follows:

(a) Department of Correction, state prosecutions, resulting from a reduction in state felons in local jails, reduced by \$10,289,400;

(b) Department of Correction, Sentencing Act of 1985, for incarceration in state prisons, increased by \$9,028,200, and such amount hereby is appropriated; and

(c) Board of Probation and Parole, Community Corrections program, increased by \$999,900, and such amount hereby is appropriated.

Item _____. To higher education programs the sum of \$50,900,000 (non-recurring) for operating budget support, such appropriation to be allocated to the units of higher education as follows:

A. State Administered Programs

1. Centers of Excellence	\$	738,100
2. Campus Centers of Emphasis		69,900
Subtotal State Administered Programs	\$	808,000

B. University of Tennessee System

1. UT Institute for Public Service	\$	66,800
2. UT Municipal Technical Advisory Service		69,500
3. UT County Technical Assistance Service		43,300
4. UT Access and Diversity Initiative		258,000
5. UT Space Institute		228,600
6. UT Agricultural Experiment Station		605,100
7. UT Agricultural Extension Service		677,700
8. UT Veterinary Medicine		421,200
9. UT Health Science Center		974,600
10. UT Family Medicine		244,000
11. UT College of Medicine		1,334,700
12. UT Chattanooga		2,366,300
13. UT Knoxville		10,024,200
14. UT Martin		1,724,100
Subtotal University of Tennessee System	\$	19,038,100

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C. Tennessee Board of Regents System		
1. Regents Access and Diversity Initiative	\$	456,100
2. ETSU College of Medicine		699,700
3. ETSU Family Practice.....		132,400
4. Austin Peay State University.....		2,000,400
5. East Tennessee State University.....		3,209,500
6. University of Memphis		6,053,700
7. Middle Tennessee State University		5,397,300
8. Tennessee State University.....		2,572,500
9. Tennessee Technological University		2,417,100
10. Southwest Tennessee Community College		1,167,000
11. Nashville State Community College.....		502,800
12. Pellissippi State Community College		669,600
13. Northeast State Community College.....		388,900
14. Chattanooga State Community College.....		714,500
15. Cleveland State Community College		295,000
16. Columbia State Community College		408,600
17. Dyersburg State Community College.....		210,900
18. Jackson State Community College		382,400
19. Motlow State Community College.....		330,200
20. Roane State Community College.....		537,600
21. Volunteer State Community College.....		552,500
22. Walters State Community College		538,100
23. Tennessee Technology Centers.....		1,417,100
Subtotal Tennessee Board of Regents System	\$	31,053,900
Total Higher Education.....	\$	50,900,000

401(k) NON-RECURRING

AND FURTHER AMEND by adding the following new subdivision to Item 1 in Section 41:

(6) It is the legislative intent that the supplemental appropriations made in subdivisions (2), (3) and (4) of this item are non-recurring; provided, that an amount equal to the estimated actual supplemental appropriations be included in the core services reserve for 2011-2012 as otherwise provided in this act.

RAINY DAY FUND

AND FURTHER AMEND by deleting Section 47 in its entirety and by substituting instead the following language:

SECTION 47. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it.

Item 1. From state revenues and other funds available to the general fund in excess of requirements for the fiscal year ending June 30, 2010, the Commissioner of Finance and Administration shall establish the Revenue Fluctuation Reserve in such amount as may be available under the provisions of Tennessee Code Annotated, Section 9-4-211. Provided, it is the legislative intent that the Revenue Fluctuation Reserve be set at a level of not less than \$453,100,000 on June 30, 2010.

Item 2. From state revenues and other funds available to the general fund in excess of requirements for the fiscal year ending June 30, 2011, the Commissioner of Finance and Administration shall establish the Revenue Fluctuation Reserve in such amount as may be available under the provisions of Tennessee Code Annotated, Section 9-4-211. Provided, it is the legislative intent that the Revenue Fluctuation Reserve be set at a level of not less than \$257,300,000 on June 30, 2011.

STATUTORY SALARY STEP RAISE RESTORATION

AND FURTHER AMEND by deleting Item 2 in Section 49 in its entirety and by substituting instead the following:

Item 2. In addition to any other funds appropriated by the provisions of this act, there is appropriated from the general fund the sum of \$1,897,400 and from dedicated funds the sum of \$545,000 for the sole purpose of funding the statutory salary step raises in the 2010-2011 fiscal year for the following officials and commissioned officers: (a) assistant district attorneys general and criminal investigators; (b) assistant public defenders and investigators; (c) assistant post conviction defenders; (d) commissioned officers in the Department of Safety and the Tennessee Law Enforcement Training Academy; and (e) wildlife officers, biologists and unique positions of the Tennessee Wildlife Resources Agency. The Commissioner of Finance and Administration is authorized to allocate this appropriation to the appropriate organizational units and to adjust dedicated appropriations and departmental revenue accordingly.

LONGEVITY PAYMENT

AND FURTHER AMEND by deleting Section 60 in its entirety and by substituting instead the following:

SECTION 60.

Item 1. The appropriation in Section 1, Title III-22, to miscellaneous appropriations for a 3 percent salary bonus is reduced by the sum of \$45,600,000 (non-recurring) to eliminate the salary bonus.

Item 2. The appropriation in Section 1, Title III-10, to higher education for a 3 percent salary bonus is reduced by the sum of \$51,300,000 (non-recurring) to eliminate the salary bonus.

Item 3. The appropriation in Section 1, Title III-9, Item 2.1c, Basic Education Program, for a 3 percent salary bonus is reduced by the sum of \$67,800,000 (non-recurring) to eliminate the salary bonus.

Item 4.

(a) Notwithstanding any provision of this act to the contrary, if accrued, recurring general fund revenues collected by the Department of Revenue exceed \$8,186,300,000 by at least \$50,000,000, as determined by the Commissioner of Finance and Administration after consultation with the Comptroller of the Treasury no later than October 1, 2010, then:

(i) In addition to any other appropriations made by the provisions of this act, there is appropriated a sum sufficient for the purpose of funding an additional one-time longevity payment to state employees and employees of higher education institutions. It is the legislative intent that such payment be paid to state employees on or about October 31, 2010, and shall be based upon, insofar as possible, an amount equal to \$50.00 per year of service; provided, no total payment shall be less than \$150 nor more than \$1,250. It is further the legislative intent that additional longevity payments for employees of higher education be distributed in a similar manner. Amounts paid under this item shall be included as earnable compensation for retirement purposes. To be eligible for a payment under this section, an employee shall have at least one (1) year of service prior to October 1, 2010.

(ii) In addition to all other appropriations made by the provisions of this act, there is appropriated a sum sufficient for the purpose of funding a like payment as provided in sub-item (a) for all licensed personnel within local education agencies for fiscal year 2010-2011. It is the legislative intent that each person eligible for such payment shall receive an equal share. The Commissioner of Education shall develop a plan for distribution of such amount to achieve this intent, with such plan subject to approval of the Commissioner of Finance and Administration. It is further the legislative intent that such stipend shall be paid on or about October 31, 2010; and that amounts paid under this item shall be included as earnable compensation for retirement purposes.

(b) In determining the amount by which the revised recurring estimate of \$8,186,300,000 is exceeded, the Commissioner of Finance and Administration shall exclude any portion of a \$42,000,000 non-recurring estimate that is collected and accrued to fiscal year 2009-2010.

(c) This item shall not apply to judges, members of the General Assembly, the Comptroller of the Treasury, the Treasurer, the Secretary of State or the Governor.

AND FURTHER AMEND by deleting Section 71, described by the bold underlined explanatory heading as "CONTINGENCY APPROPRIATIONS", in its entirety and by substituting instead the following:

CONTINGENCY APPROPRIATIONS

SECTION 71.

(a) The provisions of this section are contingent upon determination by the Commissioner of Finance and Administration that a 2010 or 2011 U.S. public law, rule, or policy provides additional federal aid to the state through continuation of an enhanced federal medical assistance percentage (FMAP) in the Medicaid program. Before establishing the appropriations made in this section, the commissioner in writing shall notify the Speakers of

the Senate and House of Representatives and the chairs of the Finance, Ways and Means Committees of the Senate and House of Representatives, the director of the Office of Legislative Budget Analysis, and the executive director of the Fiscal Review Committee.

(b) Contingent upon the availability of such federal aid revenue, the Commissioner of Finance and Administration is authorized to reduce the TennCare appropriation made in Section 1 of this act, to increase the estimate of federal aid to the TennCare Program made in Section 4 of this act, to establish the following non-recurring appropriations, to allocate the appropriations to the appropriate organizational units and agencies, and to adjust federal aid and other departmental revenues accordingly:

Item 1. The appropriation to the TennCare program in Section 1, Title III-26, of this act is reduced by \$341,600,000 (non-recurring reduction) or, alternatively, is reduced by such lower amount of such federal aid revenue as may be actually provided to the State of Tennessee, and in addition to the appropriation of federal aid to the TennCare program in Section 4, Title III-25, there hereby is appropriated the sum of \$341,600,000 (non-recurring) or, alternatively, there is appropriated a sum equal to such lower amount of such federal aid revenue as may be actually provided to the State of Tennessee from federal aid revenue.

Item 2.

(A) Community College Special Capital Outlay Appropriation. The General Assembly recognizes that the Complete College Tennessee Act of 2010 (Public Chapter 3 of the Extraordinary Session of 2010) encourages increasing numbers of Tennesseans to access public higher education, particularly through the community college system. Further, the General Assembly recognizes that the capacity to serve increasing numbers of Tennesseans through the existing community college system is constrained at certain campuses. It is the intent of this item to address the most compelling of these capacity constraints through a targeted capital outlay program. There is hereby appropriated the sum of \$120,000,000 (non-recurring) for purposes of implementing a capital outlay program to increase the capacity of Tennessee community colleges to serve Tennesseans. Notwithstanding the existing capital outlay priority list approved by the board of regents or the existing capital outlay priority list approved by the Tennessee Higher Education Commission, the board of regents is directed to develop a targeted capital outlay program that identifies, prioritizes, and funds projects that (1) build additional instructional capacity in areas that are experiencing sustained high enrollment growth; (2) build additional instructional capacity in locations where current instructional and related student support capacity has been stressed or exhausted; (3) provide for construction of academic classrooms, class labs, and other facilities needed to support academic instruction; (4) promote innovation by use of technology-based delivery systems to provide instruction to students who do not have easy access to on-ground instruction; and (5) leverage financial contributions from non-state sources to fund a substantial portion of the project cost, and such contributions from non-state sources hereby are appropriated for the capital outlay projects.

The capital outlay program developed and approved by the board of regents pursuant to this item shall be subject to the approval of the Tennessee Higher Education Commission and the State Building Commission.

Consideration of this program by the Tennessee Higher Education Commission and the State Building Commission shall be limited to whether the program addresses the criteria stated above.

Notwithstanding other provisions of this section to the contrary, if the continuation of the enhanced federal medical assistance percentage (FMAP) is not authorized in the Medicaid program by October 1, 2010, there hereby is appropriated the sum of \$12,000,000 (non-recurring) for partial implementation of the community college special capital outlay program, and in this event, the reserve for revenue fluctuations at June 30, 2011, as designated in Section 47, Item 2, is decreased by \$12,000,000.

(B) Notwithstanding any provision of this item to the contrary, the Board of Regents is authorized to utilize an amount not to exceed thirty percent of the funds appropriated by this item for high priority technology centers. Notwithstanding other provisions of this section to the contrary, if the continuation of the enhanced federal medical assistance percentage (FMAP) is not authorized in the Medicaid program by October 1, 2010, there hereby is appropriated the sum of \$16,000,000 (non-recurring) for high priority technology centers, and in this event, the reserve for revenue fluctuations at June 30, 2011, as designated in Section 47, Item 2, is decreased by \$16,000,000.

Item 3. To the Department of Economic and Community Development for capital outlay, the sum of \$9,600,000 (non-recurring) for the West Tennessee Mega-Site industrial infrastructure project.

Item 4. To the TennCare program for grants to critical access hospitals the sum of \$10,000,000 (non-recurring) to address un-reimbursed costs of services provided. It is the legislative intent that such grants be made as soon as practical after July 1, 2010, and shall be allocated pro rata based upon the ratio of uncompensated care to total facility revenue for each critical access hospital as reported in the most recent joint annual report available prior to such distribution of such grants.

Item 5. To the Department of Economic and Community Development, for the small-business job opportunities fund and a grant to Southeast Community Capital Corporation, the sum of \$10,000,000 (non-recurring) is appropriated to match approximately \$10,000,000 to \$15,000,000 from banks. It is the legislative intent that job creation loans provided through this appropriation be awarded in a manner maximizing participation by minority owned businesses and, to that end, such program shall strive to achieve a minimum minority owned business participation goal of fifteen percent.

Item 6.

(A) To the Department of Safety, for the driver license issuance system capital outlay project, the sum of \$30,000,000 (non-recurring).

(B) To the Department of Safety, for the highway patrol communications system capital outlay project, the sum of \$90,000,000 (non-recurring).

(C) From the appropriation made in this Item to the Department of Safety for the highway patrol communications system and the driver license issuance system, the Commissioner of Finance and Administration is authorized to transfer sums sufficient from the capital outlay fund to the general fund or systems development fund as required.

Item 7.

(A) In addition to any other funds appropriated by the provisions of this act, there is appropriated the total sum of \$72,000,000 (non-recurring) for the following purposes in the following amounts:

(i) To the Department of Economic and Community Development, for economic development projects, to the FastTrack Infrastructure Development and Job Training Assistance Program and related economic development programs \$51,000,000;

(ii) To the Department of Agriculture for the purpose of the agricultural enhancement program..... \$10,000,000;

(iii) To the Miscellaneous Appropriations, for a grant to the Civil Rights Museum in Memphis for the purpose of supporting the museum's capital campaign for capital improvements and to build an endowment \$5,000,000;
provided, that \$50,000 of such grant shall be earmarked for the support of the Alex Haley House and Museum in Henning;

(iv) To the Department of Environment and Conservation for the sole purpose of issuing grants for developing or repairing sewer service projects to residential and commercial areas with high failure rates located outside the boundaries of an established city or town..... \$ 2,000,000;

(v) To UT Health Science Center for facility site preparation, demolition and associated costs \$ 4,000,000; and

(vi) Subject to availability of funds, to the Department of Tourist Development for a Tennessee is Open for Tourism Campaign \$1,000,000.

(B) Notwithstanding other provisions of this section to the contrary, if the continuation of the enhanced federal medical assistance percentage (FMAP) is not available in the Medicaid program, there hereby is appropriated the sum of \$31,000,000 (non-recurring) for economic development, and in this event, the reserve for revenue fluctuations at June 30, 2011, as designated in Section 47, Item 2, is decreased by \$31,000,000.

(c) It is the legislative intent that the contingency items provided in this section be funded in the amounts indicated; provided, that if available funds are less than the amounts indicated, then such contingencies shall be accomplished, wholly or partially, pursuant to the order of the items as listed above from Item 1 to Item 7; provided further, that if available funds exceed \$341,600,000, then:

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(1) The appropriation to the TennCare program in Section 1, Title III-26, of this act is reduced by such additional amount (non-recurring reduction), and in addition to the appropriation of federal aid to the TennCare program in Section 4, Title III-25, there hereby is appropriated a sum equal to such additional amount (non-recurring) from federal aid revenue; and

(2) There is hereby appropriated a sum equal to such additional amount (non-recurring) for purposes of implementing a capital outlay program to increase the capacity of Tennessee community colleges to serve Tennesseans as otherwise provided in subdivision (b), Item 2 of this Section.

ADDITIONS TO 2011-2012 CORE SERVICES RESERVE

AND FURTHER AMEND by adding the following language as a new section immediately preceding the severability clause section and by renumbering the subsequent sections accordingly:

SECTION _____. In addition to amounts otherwise identified in this act and in the 2010-2011 Budget Document for the 2011-2012 core services reserve, it is the legislative intent that the reserve include the following amounts for additional core services, as follows:

State Land Acquisition Fund	\$ 3,112,500
Local Park Acquisition Fund	3,718,700
Agriculture Resources Conservation Fund.....	937,500
Wetlands Acquisition Fund	906,300
TSAA Awards	3,200,000
TennCare – Perinatal Outreach Grants	2,272,800
Employee 401(k) State Match @ \$50.00	16,363,600
Arts Commission Grants.....	754,900
Governor's Schools	2,241,000
Performance-Based Budgeting.....	986,300
ADM Growth Funding	7,000,000
Mental Health – Crisis Stabilization / Behavioral Health	1,500,000
Public Television Grants	500,000
Extended Foster Care.....	<u>1,786,000</u>
 Total Additional	 \$ 45,279,600

MISCELLANEOUS ADJUSTMENTS

AND FURTHER AMEND by deleting Title III-31 in Section 1 in its entirety and by substituting instead the following:

31. State Funding Board

There is hereby appropriated to the State Funding Board for interest and reduction of the state debt, for debt service expense and interest on proposed bond authorization:

	<u>2010-2011</u>
1. Interest on State Debt.....	\$ 55,813,000.00
2. Retirement of Bonds.....	101,940,000.00

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3.	Debt Service Expense	1,000,000.00
4.	Amortization of Authorized and Unissued Construction Bonds	87,500,000.00
5.	Amortization of Authorized and Unissued Highway Bonds	122,600,000.00
6.	Amortization of Bonds Issued – December 2009	19,900,000.00

Total Title III-31 \$ 388,753,000.00

The appropriation made under Section 1, Title III-31, Items 1, 2, 3, 4, 5, and 6, is made under the provisions of Tennessee Code Annotated, Title 9, Chapter 9, and may be increased to such amounts as will be necessary to carry out such provisions.

AND FURTHER AMEND by deleting the following language from Title III-32 in Section 1:

Subtotal \$ 123,100,000.00

10. Department of Safety – Systems Development Projects \$ 42,300,000.00

Total Title III-32 \$ 165,400,000.00

and by substituting instead the following:

Total Title III-32. \$ 123,100,000.00

AND FURTHER AMEND by deleting Item 3 from Section 35 and by substituting instead the following:

Item 3. To the Treasury Department in Section 1, Title III-1, Item 7.3, for the Baccalaureate Education System Trust Fund (Tennessee Code Annotated, Title 49, Chapter 7, Part 8), to eliminate the current unfunded liability of the Baccalaureate Education System Trust prepaid plan. The Commissioner of Finance and Administration is authorized to transfer the appropriation from the general fund to the Baccalaureate Education System Trust Fund. Notwithstanding this act or any other law to the contrary, the Board of Trustees of the Baccalaureate Education System Trust is hereby authorized to allocate a sum not to exceed \$250,000 from the appropriations made in Section 1, Title III-1, Item 7.3, for the purpose of implementing Public Chapter No. 884 of the Public Acts of 2010.

AND FURTHER AMEND by deleting the following language in Section 41:

Item _____. In the fiscal year ending June 30, 2010, any unexpended balances of appropriations made to the Department of Health for Diabetes Prevention and Health Improvement are hereby reappropriated to be expended in the 2010-2011 fiscal year and such appropriations shall be carried forward in a reserve into the fiscal year beginning July 1, 2010.

AND FURTHER AMEND by adding the following language as a new item in Section 52:

Item 5. From the Lottery for Education Account and other accounts and sub-accounts established pursuant to Tennessee Code Annotated, Title 4, Chapter 51, the Tennessee Education Lottery Implementation Law, there is appropriated a sum sufficient for the sole purpose of implementing Senate Bill No. 2899/House Bill No. 3479, relative to eligible institutions under the lottery scholarship program, if such bill becomes a law.

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AND FURTHER AMEND by deleting Item 1 from Section 58 in its entirety and by substituting instead the following:

Item 1. Pursuant to Chapter 531, Public Acts of 2009, and Senate Bill No. 3880/House Bill No. 3796, if such bill becomes a law, it is the legislative intent to reallocate to the education fund and general fund portions of certain dedicated revenues in the fiscal year 2010-2011. The dedicated revenues and the amounts reallocated to the education fund and general fund are:

Education Fund	
(a) Tobacco Taxes – Agricultural Enhancement Program	\$ 11,000,000
General Fund	
(b) Environment and Conservation – Environmental Assurance Fee (Underground Storage Tanks)	\$ 3,000,000
(c) Environment and Conservation – Solid Waste 90¢ Tipping Fee	2,600,000
Subtotal General Fund	\$ 5,600,000
TOTAL	\$ 16,600,000

AND FURTHER AMEND by deleting Item 1, Item 2, Item 3 and Item 5 from Section 59.

AND FURTHER AMEND by deleting the following language from Section 66:

Item 7. To the Department of Health, Division of General Environmental Health, for the rabies control program, a sum sufficient not to exceed \$1,000,000 to restore base reduction number 5, Rabies Tags, proposed in the 2010-2011 Budget Document, if Senate Bill No. 3850/House Bill No. 3834 or a similar bill, relative to a rabies vaccination certificate fee, does not become a law or if the bill or similar bill does become a law but provides estimated departmental revenue of less than \$1,000,000 according to the final fiscal note on the bill. The Commissioner of Finance and Administration shall reconcile the appropriation required to the fiscal note and is authorized to adjust departmental revenue accordingly.

and by substituting instead the following:

Item 7. To the Department of Health, Division of General Environmental Health, for the rabies control program, a sum sufficient not to exceed \$1,000,000 to restore base reduction number 5, Rabies Tags, proposed in the 2010-2011 Budget Document. The Commissioner of Finance and Administration shall reconcile the appropriation required to the fiscal note and is authorized to adjust departmental revenue accordingly.

AND FURTHER AMEND by deleting the following language from Section 66:

Item 10. To the Department of Children's Services the sum of \$2,786,100 (recurring) is appropriated to restore the New Visions Youth Development Center component of fiscal year 2010-2011 reduction number 2, Closing Youth Development Center Beds, as follows:

(a) There hereby is appropriated for operation of New Visions Youth Development Center the sum of \$4,584,900 from state revenue and \$70,200 from departmental revenue, and eighty-five (85) positions are authorized to be retained.

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(b) The appropriation for operation of Woodland Hills Youth Development Center hereby is reduced by \$1,798,800 from state revenue and \$70,200 from departmental revenue, and thirty-three (33) positions are deleted from the authorization.

and by substituting instead the following:

Item 10. To the Department of Children's Services the sum of \$2,786,100 (recurring) is appropriated to partially restore the New Visions Youth Development Center component of fiscal year 2010-2011 reduction number 2, Closing Youth Development Center Beds, and to provide for transitional youth support services, as follows:

(a) There hereby is appropriated for operation of New Visions Youth Development Center the sum of \$4,203,900 from state revenue and \$70,200 from departmental revenue, and eighty-five (85) positions are authorized to be retained.

(b) The appropriation for operation of Woodland Hills Youth Development Center hereby is reduced by \$1,798,800 from state revenue and \$70,200 from departmental revenue, and thirty-three (33) positions are deleted from the authorization.

(c) There is hereby appropriated for the operation of independent living and transitional youth support services the sum of \$381,000 from state revenue.

AND FURTHER AMEND by deleting Item 1 from Section 67 in its entirety.

AND FURTHER AMEND by adding the following language as new sections immediately preceding the severability clause section and by renumbering the subsequent sections accordingly:

SECTION __. Recognizing the need for state government to operate with a balance of recurring revenues to recurring expenditures, there is hereby appropriated a sum sufficient (non-recurring), not to exceed \$500,000, to the Ad Hoc Task Force on Human Resources for the sole purpose of developing and proposing comprehensive, government personnel management contingency plans for the executive branch and the legislative branch of state government and, upon the request of the Supreme Court, for the judicial branch of state government. The Ad Hoc Task Force shall consist of the Comptroller of the Treasury, the State Treasurer, the Secretary of State, the Commissioner of Finance and Administration, and the Commissioner of Human Resources. The Comptroller of the Treasury and the Commissioner of Human Resources shall serve as co-chairs. Within the limits of funding provided by this section, the Task Force may contract with private consultants for technical advice and assistance. Each contingency plan shall include policies and procedures to govern the selection of positions for elimination and shall recommend reorganization of affected departments, agencies, entities and programs as may be needed to fully achieve the annualized savings proposed by the plan. Each contingency plan shall also identify any provision of general law that would require suspension, amendment or repeal in order to implement the plan. At least one or more of the contingency plans for each branch of state government may include incentive-based separation packages for employees who voluntarily separate from service; and at least one or more of the contingency plans for each branch of state government may include benefit packages for employees who are involuntarily separated from service. The incentives or benefits offered may include, but shall not be limited to, one or more of the following:

(i) A base payment plus an amount based on years of service and capped at an amount, to be determined by the Task Force;

(ii) Extended health insurance benefits for a period of months to be determined by the Task Force, or a cash option to buy into COBRA health coverage, or a cash option equivalent to the extended health insurance benefit; and

(iii) College tuition assistance for a term, to be determined, and to be capped at the average of the highest four-year public Tennessee college undergraduate level; provided, however, that such assistance shall only be provided for periods of actual attendance within a period of time to be determined by the Task Force.

The Task Force shall endeavor to finalize and propose the comprehensive, reduction-in-force contingency plans on or before January 17, 2011. The plans shall be delivered to the Governor, the Speaker of the Senate and the Speaker of the House of Representatives and, if requested, to the Chief Justice. As circumstances dictate, the respective branches may, consistent with general law, implement one or more of the proposed government personnel management contingency plans. It is the legislative intent to recognize that implementation of the government personnel management contingency plans will reduce reserves for revenue fluctuations amounts stated in Section 47, Items 1 and 2.

SECTION _____. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. It is hereby declared to be the legislative intent that to the extent permissible under applicable federal law and regulation, local government contributions and/or intergovernmental transfers for the benefit of The Regional Medical Center at Memphis be matched by federal Medicaid funds. If a determination is not made by July 1, 2010, that such contributions that are made in, or attributable to, the fiscal years ending June 30, 2010 or June 30, 2011 can be matched, then there is hereby appropriated twenty million dollars (\$20,000,000) to the Department of Finance and Administration for the purpose of making a grant in such amount to The Regional Medical Center at Memphis. It is the legislative intent that this appropriation be considered non-recurring. It is the legislative intent that, prior to receiving any funds appropriated in this Item, the Regional Medical Center at Memphis provides a written plan to the Commissioner of Finance and Administration and the Comptroller of the Treasury detailing the manner in which such funds are to be used and a plan to become self-sustaining.

SECTION _____. It is hereby recognized that the provisions of Senate Bill No. 231/House Bill No. 228, or, alternatively, the provisions of Senate Bill No. 3901/House Bill No. 3787, concerning refunds of state and local sales taxes on the retail sale of certain items of tangible personal property when sold to a natural person who has received disaster assistance through FEMA will result in a revenue loss exceeding \$19,950,000, if either bill containing such provisions becomes a law.

SECTION _____. This section shall take effect upon becoming a law, the public welfare requiring it. From the funds appropriated to the Court System in Public Acts of 2009, Chapter 554, Section 1, Title II, an amount of \$26,000 is reappropriated for start-up costs of implementing Senate Bill No. 3110/House Bill No. 3385, relative to court reporter licensing, if the bill becomes a law. Upon the request of the Administrative Director of the Courts, the Commissioner of Finance and Administration is authorized to transfer funds between programs as necessary to address the start-up costs.

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SECTION _____. If additional federal funds for energy related programs not otherwise appropriated or obligated pursuant to the provisions of this act are received in fiscal year 2010-2011 as determined by the Commissioner of Finance and Administration, the sum of \$1,000,000 from such additional federal funds is appropriated to the Department of Economic and Community Development to be available for a geothermal energy demonstration pilot project at a private institution of higher education in Claiborne County.

SECTION _____. The Commissioner of Finance and Administration is requested to make all necessary adjustments to revenues, authorized positions and totals as necessary to effectuate the provisions of this act as amended by the General Assembly.

AND FURTHER AMEND by requesting the Engrossing Clerk to delete the bold underlined explanatory headings in this amendment.

Pursuant to Rule 39(3), Amendment No. 11 was adopted by the following vote:

Ayes	31
Noes	1

Senators voting aye were: Barnes, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--31.

Senator voting no was: Beavers--1.

On motion of Senator McNally, Amendment No. 1 was withdrawn.

On motion of Senator Henry, Amendment No. 2 was withdrawn.

On motion of Senator McNally, Amendment No. 3 was withdrawn.

On motion of Senator Finney, Amendment No. 4 was withdrawn.

On motion of Senator Burks, Amendment No. 5 was withdrawn.

On motion of Senator Harper, Amendment No. 6 was withdrawn.

On motion of Senator Burks, Amendment No. 7 was withdrawn.

On motion of Senator Finney, Amendment No. 8 was withdrawn.

On motion of Senator McNally, Amendment No. 9 was withdrawn.

Senator Tracy moved to amend as follows:

AMENDMENT NO. 10

AMEND by deleting in Item 2, subdivision (b) of Section 71 (the Contingency Appropriations section) of the bill as amended the language "\$120,000,000" and by substituting instead the language "\$40,000,000".

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AND FURTHER AMEND by adding the following language as a new Item 2 in subdivision (b) of Section 71 of the bill as amended and by redesignating subsequent items appropriately:

Item 2. To the Tennessee Board of Regents, for the sole purpose of construction of a new science building at Middle Tennessee State University, the sum of \$80,000,000 (non-recurring).

AND FURTHER AMEND by deleting the language "Item 7" in subdivision (b) of Section 71 of the bill as amended and by substituting instead the language "Item 8".

AND FURTHER AMEND by deleting subdivision (c)(2) of Section 71 of the bill as amended and by substituting instead the following language:

(2) There is hereby appropriated, for construction of the new science building at Middle Tennessee State University, a sum not to exceed the lesser of two-thirds of such additional amount (non-recurring) or the costs of construction remaining unfunded by the appropriation in subdivision (b), Item 2 of this section. The remainder of such sum is appropriated for purposes of implementing a capital outlay program to increase the capacity of Tennessee community colleges to serve Tennesseans as otherwise provided in subdivision (b), Item 3 of this Section.

Senator Yager declared Rule 13 on Amendment No. 10 to **Senate Bill No. 3919**.

Pursuant to Rule 39(3), Amendment No. 10 failed for the lack of a two-thirds majority by the following vote:

Ayes	3
Noes	29
Present, not voting . . .	1

Senators voting aye were: Black, Ketron and Tracy--3.

Senators voting no were: Barnes, Beavers, Berke, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Watson, Woodson, Yager and Mr. Speaker Ramsey--29.

Senator present and not voting was: Bunch--1.

RECESS

Senator Kyle moved the Senate stand in recess for five minutes, which motion prevailed.

CALL TO ORDER

The Senate was called to order by Mr. Speaker Ramsey.

ROLL CALL

The Speaker declared that a quorum was present.

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On motion, the roll call was dispensed with.

CALENDAR NO. 2

FURTHER ACTION ON SENATE BILL NO. 3919, AS AMENDED

Thereupon, **Senate Bill No. 3919**, as amended, passed its third and final consideration by the following vote:

Ayes 30
Noes 3

Senators voting aye were: Barnes, Berke, Black, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Watson, Woodson, Yager and Mr. Speaker Ramsey--30.

Senators voting no were: Beavers, Bunch and Tracy--3.

A motion to reconsider was tabled.

Senator Kyle moved that **Senate Bill No. 3880** be rereferred to the Committee on Finance, Ways and Means, which motion prevailed.

CALENDAR NO. 3

Senate Bill No. 3916 -- Bond Issues -- As introduced, authorizes issuance of bonds to fund state projects.

Senator McNally moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting in Section 1 of the bill the following language:

in amounts not to exceed two hundred seventy-one million eight hundred thousand dollars (\$271,800,000)

and by substituting instead the following language:

in amounts not to exceed one hundred ninety-four million one hundred thousand dollars (\$194,100,000)

AND FURTHER AMEND by deleting subdivision (3) in Section 4 in its entirety and by redesignating the remaining subdivisions accordingly.

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Bill No. 3916**, as amended, passed its third and final consideration by the following vote:

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Ayes 32
Noes 1

Senators voting aye were: Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey--32.

Senator voting no was: Kelsey--1.

A motion to reconsider was tabled.

MOTION

Senator Kyle moved that Rule 19 be suspended for the purpose of considering **Senate Bill No. 3917** next, out of order, which motion prevailed.

Senate Bill No. 3917 -- Budget Procedures -- As introduced, authorizes the index of appropriations from state tax revenues for the 2010-2011 fiscal year to exceed the index of estimated growth in the state's economy by \$11.5 million or 0.1 percent.

Senator McNally moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting Section 1 and Section 2 in their entireties and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 9-4-5203(e), is amended by adding the following language as a new, appropriately designated subdivision:

() The index of appropriations from state tax revenues for the 2010-2011 fiscal year may exceed the index of estimated growth in the state's economy by one hundred twenty-six million six hundred thousand dollars (\$126,600,000) or one and ten hundredths percent (1.10%).

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Bill No. 3917**, as amended, passed its third and final consideration by the following vote:

Ayes 28
Noes 4
Present, not voting . . . 1

Senators voting aye were: Barnes, Berke, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Watson, Woodson, Yager and Mr. Speaker Ramsey--28.

Senators voting no were: Beavers, Black, Kelsey and Tracy--4.

Senator present and not voting was: Johnson--1.

A motion to reconsider was tabled.

CALENDAR NO. 3

Senate Bill No. 3268 -- Education, Higher -- As introduced, allows students in graduate degree programs leading to licensure as a teacher to be recipients of a minority teaching fellowship; eliminates limitation on number of awards. Amends TCA Section 49-4-706.

Senator Gresham moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 49-4-706(a), is amended by deleting the language "one hundred sixteen (116)" in the second sentence of the subsection and by substituting instead the language "one hundred thirty (130)".

SECTION 2. Tennessee Code Annotated, Section 49-4-706(a), is further amended by deleting subdivision (2) in its entirety and by substituting instead the following:

(2) Recipients shall pursue a baccalaureate or graduate degree program leading to licensure as a teacher.

SECTION 3. Tennessee Code Annotated, Section 49-4-706, is amended by adding the following language as a new, appropriately designated subsection:

() TSAC shall report annually on participation in the minority teaching fellows program. Specifically, TSAC shall report:

- (1) The number of students applying for the program;
- (2) The number of students awarded a fellowship;
- (3) The institutions at which fellowship students are enrolled with the number of fellowship students at each institution;
- (4) The majors of fellowship students;
- (5) The retention rate for the fellowships;
- (6) The number of fellowship students completing a baccalaureate degree program and the number completing a graduate degree program;
- (7) The number of fellowship students who receive forgiveness of the fellowship balance and the schools at which such students taught together with the subject and grade level taught;

(8) The number of students who are required to repay the fellowship in whole or in part and the reasons therefor;

(9) The cumulative number of students, if such number is available, who have remained in teaching beyond the period required for repayment of the fellowship;

(10) The amount of money expended on the program in the past school year, the amount appropriated but not expended and the balance of any funds accumulated from year to year;

(11) Efforts made to market the fellowship to minority students; and

(12) Such other information as TSAC finds helpful in evaluating the effectiveness of the program.

All data reported shall be disaggregated by gender, race and ethnicity. The report shall be submitted to the Education Committees of the House of Representatives and the Senate by October 1 of each year.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

On motion, Amendment No. 1 was adopted.

Senator Henry moved to amend as follows:

AMENDMENT NO. 2

AMEND by deleting Section 1 of the bill in its entirety and by substituting instead the following language:

SECTION 1. Tennessee Code Annotated, Section 49-4-706(a), is amended by deleting the final sentence in its entirety and by substituting instead the following language:

Participation in the program at any time shall be limited to one hundred sixteen (116) fellows or, subject to appropriation of funds by the general assembly and the availability of sufficient funds in the TSAC deferred revenue account for the minority teaching fellows program, one hundred thirty (130) fellows.

On motion, Amendment No. 2 was adopted.

Senator McNally moved to amend as follows:

AMENDMENT NO. 3

AMEND by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION _____. Tennessee Code Annotated, Section 49-4-706(a), is amended by deleting the language "a minority teaching fellows program" and by substituting instead the language "the Senator Edward Davis minority teaching fellows program".

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On motion, Amendment No. 3 was adopted.

Thereupon, **Senate Bill No. 3268**, as amended, passed its third and final consideration by the following vote:

Ayes	30
Noes	1

Senators voting aye were: Barnes, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Watson, Woodson, Yager and Mr. Speaker Ramsey--30.

Senator voting no was: Kelsey--1.

A motion to reconsider was tabled.

MOTION

Senator Norris moved that Rule 37 be suspended for the purpose of allowing any bills recommended for passage by the Committee on Finance, Ways and Means to be placed on the calendar for Friday, June 4, 2010, which motion prevailed.

MOTION

On motion of Senators Henry, Kyle, McNally, Barnes, Beavers, Berke, Black, Bunch, Burchett, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Herron, Jackson, Johnson, Kelsey, Ketron, Marrero, Norris, Overbey, Southerland, Tate, Tracy, Watson, Woodson, Yager and Mr. Speaker Ramsey, their names were added as sponsors of **Senate Joint Resolution No. 1264**.

On motion of Senators Burchett, Faulk and McNally, their names were added as sponsors of **Senate Joint Resolution No. 1265**.

On motion of Senators Herron, Haynes, McNally and Burks, their names were added as sponsors of **Senate Joint Resolution No. 1266**.

On motion of Senator Herron, his name was added as sponsor of **Senate Bills Nos. 2386, 2483, 2503, 2516, 2723, 2854, 2855, 2856, 3010 and 3218; Senate Joint Resolutions Nos. 1269 and 1293; and House Joint Resolutions Nos. 1357 and 1360**.

On motion of Senators Haynes and Harper, their names were added as sponsors of **Senate Joint Resolution No. 1270**.

On motion of Senators Berke, Burks, Crowe, Haynes, Ketron, Tate, Tracy, Woodson, Barnes, Beavers, Black, Bunch, Burchett, Faulk, Finney, Ford, Harper, Henry, Herron, Jackson, Johnson, Kelsey, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Watson, Yager and Mr. Speaker Ramsey, their names were added as sponsors of **Senate Joint Resolution No. 1274**.

On motion of Senators Tracy, Gresham, Black and Beavers, their names were added as sponsors of **House Joint Resolution No. 1253**.

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On motion of Senators Yager, Berke and Watson, their names were added as sponsors of **House Joint Resolution No. 1356**.

On motion of Senator Beavers, her name was added as sponsor of **House Joint Resolution No. 1358; and Senate Bill No. 2560**.

On motion of Senators Gresham, Norris and Kelsey, their names were added as sponsors of **House Joint Resolutions Nos. 1361 and 1362**.

On motion of Senators Herron, Haynes, Berke, Harper, Marrero and Ford, their names were added as sponsors of **House Joint Resolution No. 1363**.

On motion of Senators Herron, Ford, Kelsey, Kyle, Marrero, Norris and Tate, their names were added as sponsors of **House Joint Resolution No. 1365**.

On motion of Senator Ford, her name was added as sponsor of **Senate Bills Nos. 2709, 2810, 3851, 3644 and 3125; and House Joint Resolution No. 1366**.

On motion of Senator Kelsey, his name was added as sponsor of **Senate Bills Nos. 3234, 3345, 3427 and 3650**.

On motion of Mr. Speaker Ramsey, his name was added as sponsor of **Senate Bill No. 2785**.

On motion of Senator Stewart, his name was added as sponsor of **Senate Bill No. 3100**.

On motion of Senator Burchett, his name was removed as sponsor of **Senate Bill No. 3100**.

On motion of Senators Herron and Burks, their names were added as sponsors of **Senate Bill No. 3341**.

On motion of Senator Kelsey and Mr. Speaker Ramsey, their names were added as sponsors of **Senate Bill No. 3598**.

On motion of Senators Beavers, Johnson, Yager, Norris, Ketron, Tracy, Southerland, Bunch, Gresham, Faulk and Crowe, their names were added as sponsors of **House Joint Resolution No. 704**.

On motion of Senators Barnes, Jackson, Finney, Marrero, Ford, Mr. Speaker Ramsey and Senator Burks, their names were added as sponsors of **Senate Bill No. 3431**.

On motion of Senator Norris, his name was added as sponsor of **House Joint Resolution No. 30**.

On motion of Senator Tate, his name was added as sponsor of **Senate Bill No. 401**.

On motion of Senator Black, her name was added as sponsor of **Senate Bill No. 673**.

On motion of Senators Tracy, Gresham, Bunch, Johnson and Burks, their names were added as sponsors of **Senate Bill No. 844**.

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On motion of Senator Burks, her name was added as sponsor of **Senate Bill No. 3354**.

On motion of Senator Woodson, her name was added as sponsor of **Senate Joint Resolution No. 1220**.

On motion of Senator Gresham, her name was added as sponsor of **Senate Bill No. 2753**.

On motion of Senator Johnson, his name was added as sponsor of **Senate Joint Resolution No. 1290**.

On motion of Senator Henry, his name was added as sponsor of **Senate Joint Resolution No. 1291**.

On motion of Senators Henry, Harper, Herron and Burks, their names were added as sponsors of **Senate Bill No. 231**.

On motion of Mr. Speaker Ramsey and Senators Southerland, Faulk and Burchett, their names were added as sponsors of **Senate Joint Resolution No. 1292**.

On motion of Senator Kyle, his name was added as prime sponsor of **Senate Bill No. 2616**.

On motion of Senator Ketron, his name was added as sponsor of **House Joint Resolution No. 1371**.

On motion of Senator Haynes, his name was added as sponsor of **Senate Bill No. 2789**.

On motion of Senators Woodson, Barnes, Beavers, Berke, Black, Bunch, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Jackson, Johnson, Kelsey, Ketron, Kyle, Marrero, McNally, Norris, Overbey, Southerland, Stewart, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey, their names were added as sponsors of **Senate Joint Resolution No. 1297**.

On motion of Senator Overbey, his name was added as sponsor of **Senate Joint Resolution No. 1298**.

On motion of Senators Southerland, Faulk, Burchett and Mr. Speaker Ramsey, their names were added as sponsors of **Senate Joint Resolution No. 1192**.

On motion, all Senators' names were added as sponsors of **Senate Bill No. 3268; Senate Joint Resolutions Nos. 1182, 1183 and 1280; and Senate Resolution No. 229**.

ENGROSSED BILLS

June 3, 2010

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully examined Senate Bill No. 231, and find same correctly engrossed and ready for transmission to the House.

M. SCOTT SLOAN,
Chief Engrossing Clerk.

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ENGROSSED BILLS

June 3, 2010

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully examined Senate Bills Nos. 274, 3290 and 3591; and find same correctly engrossed and ready for transmission to the House.

M. SCOTT SLOAN,
Chief Engrossing Clerk.

ENGROSSED BILLS

June 3, 2010

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully examined Senate Bills Nos. 2523, 2785, 2854, 2856, 3218 and 3536; and Senate Joint Resolutions Nos. 1197, 1264, 1265, 1266, 1267, 1269, 1270, 1271, 1272, 1273, 1274, 1276, 1277, 1279, 1280, 1282, 1283, 1284, 1290, 1291, 1292 and 1293; and find same correctly engrossed and ready for transmission to the House.

M. SCOTT SLOAN,
Chief Engrossing Clerk.

ENGROSSED BILLS

June 3, 2010

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully examined Senate Joint Resolutions Nos. 1297 and 1298, and find same correctly engrossed and ready for transmission to the House.

M. SCOTT SLOAN,
Chief Engrossing Clerk.

MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to transmit to the Senate, House Bills Nos. 2644, 2645, 2693, 2989 and 3499; passed by the House.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to transmit to the Senate, House Bill No. 3176, passed by the House.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to notify the Senate, the House adopted House Resolution No. 319 by over a two-thirds majority vote.

BURNEY T. DURHAM,
Chief Clerk.

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MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to transmit to the Senate, House Joint Resolutions Nos. 851, 1288, 1305, 1388, 1389, 1390, 1391, 1392 and 1393; adopted, for the Senate's action.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to transmit to the Senate, House Joint Resolutions Nos. 955, 1318, 1364, 1377, 1378, 1379, 1380, 1381, 1382, 1383, 1384, 1385, 1386 and 1387; adopted, for the Senate's action.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to transmit to the Senate, House Joint Resolutions Nos. 1371, 1372 and 1373; adopted, for the Senate's action.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to transmit to the Senate, House Joint Resolution No. 1359, adopted, for the Senate's action.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to return to the Senate, Senate Bill No. 3333, substituted for House Bill on same subject and passed by the House.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to return to the Senate, Senate Bill No. 3907, substituted for House Bill on same subject and passed by the House.

BURNEY T. DURHAM,
Chief Clerk.

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MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to return to the Senate, Senate Joint Resolutions Nos. 869 and 966, concurred in by the House.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to return to the Senate, Senate Joint Resolutions Nos. 931, 1197, 1264, 1265, 1266, 1267, 1269, 1270, 1271, 1272, 1273, 1274, 1276, 1277, 1279, 1282, 1283, 1284, 1290, 1292 and 1293; concurred in by the House.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to return to the Senate, Senate Joint Resolutions Nos. 1061, 1073, 1219, 1220, 1221, 1222, 1231, 1232, 1233, 1235, 1237, 1238, 1239, 1240, 1241, 1242, 1243, 1244, 1245, 1246, 1247, 1248, 1249, 1250, 1251, 1252, 1253, 1254, 1256, 1257, 1258, 1259, 1261, 1262, 1263, 1268, 1275 and 1291; concurred in by the House.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to return to the Senate, Senate Joint Resolutions Nos. 1297 and 1298, concurred in by the House.

BURNEY T. DURHAM,
Chief Clerk.

ENROLLED BILLS

June 3, 2010

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully compared Senate Joint Resolutions Nos. 978 and 1291, and find same correctly enrolled and ready for the signatures of the Speakers.

M. SCOTT SLOAN,
Chief Engrossing Clerk.

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ENROLLED BILLS

June 3, 2010

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully compared Senate Joint Resolutions Nos. 1061, 1073, 1219, 1220, 1221, 1222, 1231, 1232, 1233, 1235, 1237, 1238, 1239, 1240, 1241, 1242, 1243, 1244, 1245, 1246, 1247, 1248, 1249, 1250, 1251, 1252, 1253, 1254, 1256, 1257, 1258, 1259, 1261, 1262, 1263, 1268 and 1275; and find same correctly enrolled and ready for the signatures of the Speakers.

M. SCOTT SLOAN,
Chief Engrossing Clerk.

ENROLLED BILLS

June 3, 2010

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully compared Senate Resolutions Nos. 229 and 230, and find same correctly enrolled and ready for the signature of the Speaker.

M. SCOTT SLOAN,
Chief Engrossing Clerk.

MESSAGE FROM THE HOUSE

June 1, 2010

MR. SPEAKER: I am directed to transmit to the Senate, House Bills Nos. 1323, 2492, 2603, 2609, 3190, 3280, 3380, 3421, 3660, 3784, 3788, 3789, 3792, 3805, 3850 and 3997; for the signature of the Speaker.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to transmit to the Senate, House Joint Resolutions Nos. 1356, 1357, 1358, 1360, 1361, 1362, 1363, 1365, 1366, 1367 and 1369; for the signature of the Speaker.

BURNEY T. DURHAM,
Chief Clerk.

SIGNED

June 3, 2010

The Speaker announced that he had signed the following: Senate Bills Nos. 1916, 2488, 3489 and 3687.

SIGNED

June 3, 2010

The Speaker announced that he had signed the following: Senate Joint Resolutions Nos. 978 and 1291.

SIGNED

June 3, 2010

The Speaker announced that he had signed the following: Senate Joint Resolutions Nos. 1061, 1073, 1219, 1220, 1221, 1222, 1231, 1232, 1233, 1235, 1237, 1238, 1239, 1240, 1241, 1242, 1243, 1244, 1245, 1246, 1247, 1248, 1249, 1250, 1251, 1252, 1253, 1254, 1256, 1257, 1258, 1259, 1261, 1262, 1263, 1268 and 1275.

SIGNED

June 3, 2010

The Speaker announced that he had signed the following: Senate Resolutions Nos. 229 and 230; and House Bills Nos. 1323, 2492, 2603, 2609, 3190, 3280, 3380, 3421, 3660, 3784, 3788, 3789, 3792, 3805, 3850 and 3997.

MESSAGE FROM THE HOUSE

June 1, 2010

MR. SPEAKER: I am directed to return to the Senate, Senate Bills Nos. 966, 2411, 2636, 2638, 3119, 3222, 3317, 3474 and 3843; signed by the Speaker.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to return to the Senate, Senate Bills Nos. 1916, 2488, 3489 and 3687; signed by the Speaker.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to return to the Senate, Senate Joint Resolutions Nos. 978 and 1291, signed by the Speaker.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

June 3, 2010

MR. SPEAKER: I am directed to return to the Senate, Senate Joint Resolutions Nos. 1061, 1073, 1219, 1220, 1221, 1222, 1231, 1232, 1233, 1235, 1237, 1238, 1239, 1240, 1241, 1242, 1243, 1244, 1245, 1246, 1247, 1248, 1249, 1250, 1251, 1252, 1253, 1254, 1256, 1257, 1258, 1259, 1261, 1262, 1263, 1268 and 1275; signed by the Speaker.

BURNEY T. DURHAM,
Chief Clerk.

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REPORT OF CHIEF ENGROSSING CLERK

June 1, 2010

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have transmitted to the Governor the following: Senate Bills Nos. 966, 2411, 2636, 2638, 3119, 3222, 3317, 3474 and 3843; for his action.

M. SCOTT SLOAN,
Chief Engrossing Clerk.

REPORT OF CHIEF ENGROSSING CLERK

June 3, 2010

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have transmitted to the Governor the following: Senate Joint Resolutions Nos. 978 and 1291, for his action.

M. SCOTT SLOAN,
Chief Engrossing Clerk.

MESSAGE FROM THE GOVERNOR

June 1, 2010

MR. SPEAKER: I am directed by the Governor to return herewith: Senate Joint Resolutions Nos. 1169, 1170, 1171, 1172, 1173, 1174, 1175, 1176, 1177, 1178, 1179, 1180, 1181, 1184, 1185, 1186, 1187, 1188, 1189, 1190, 1191, 1193, 1195, 1196, 1199, 1200, 1201, 1202, 1203, 1204, 1205, 1206, 1207, 1208, 1209, 1210, 1211, 1212, 1213, 1214, 1215, 1216, 1217, 1218, 1236 and 1255; with his approval.

STEVEN E. ELKINS,
Counsel to the Governor.

MESSAGE FROM THE GOVERNOR

June 2, 2010

MR. SPEAKER: I am directed by the Governor to return herewith: Senate Bill No. 1678, without his signature.

STEVEN E. ELKINS,
Counsel to the Governor.

June 2, 2010

The Honorable Tre Hargett
Secretary of State
State Capitol Building, First Floor
Nashville, Tennessee 37243

Dear Mr. Secretary of State:

The Governor received Senate Bill No. 1678 on May 19, 2010, and returned the bill on June 2, 2010, without his signature. The Governor had the bill in his possession longer than ten (10) days,

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as provided for in Article III, Section 18 of the Constitution of the State of Tennessee. Therefore, Senate Bill No. 1678 becomes law without the Governor's signature.

Sincerely,

/s/ Russell A. Humphrey
Chief Clerk of the Senate

MESSAGE FROM THE GOVERNOR

June 2, 2010

MR. SPEAKER: I am directed by the Governor to return herewith: Senate Bills Nos. 399, 1325, 1754, 2419, 2636, 2638, 2704, 3119 and 3593; and Senate Joint Resolutions Nos. 764 and 784; with his approval.

STEVEN E. ELKINS,
Counsel to the Governor.

MESSAGE FROM THE GOVERNOR

June 3, 2010

MR. SPEAKER: I am directed by the Governor to return herewith: Senate Bill No. 966; and Senate Joint Resolution No. 1291; with his approval.

STEVEN E. ELKINS,
Counsel to the Governor.

REPORT OF COMMITTEE ON CALENDAR # 2

MR. SPEAKER: Your Committee on Calendar begs leave to report that we have met and set the following bills on the calendar for Wednesday, June 2, 2010: Senate Bills Nos. 3901, 3880 and 3919.

This the 28th day of May, 2010.
MIKE FAULK, Chairperson.

ADJOURNMENT

Senator Norris moved the Senate adjourn until 1:00 p.m., Friday, June 4, 2010, which motion prevailed.